

**CITY OF KENNER, LOUISIANA**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2014**



Submitted by:

Department of Finance

DUKE P. McCONNELL, CPA  
Chief Financial Officer

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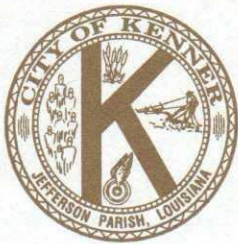
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## **INTRODUCTORY SECTION**





# CITY OF KENNER

## DEPARTMENT OF FINANCE

**MICHAEL S. YENNI**  
MAYOR

**DUKE P. McCONNELL**  
FINANCE DIRECTOR

December 29, 2014

Honorable Mayor and City Councilpersons  
**City of Kenner, Louisiana**  
1801 Williams Boulevard  
Kenner, Louisiana 70062

The Comprehensive Annual Financial Report of the City of Kenner, Louisiana, for the fiscal year-ended June 30, 2014 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and operating activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, and auditor's reports on compliance and on internal controls, are included in the single audit section of this report.

### CITY OF KENNER

The City is the largest incorporated area in Jefferson Parish, a suburban parish (county) in the New Orleans Standard Metropolitan Statistical Area. It is bounded on the north by Lake Pontchartrain, on the south by the Mississippi River, on the east by unincorporated Jefferson Parish, and on the west by St. Charles Parish. The map of the City which is enclosed in this Introductory Section reflects a total area of approximately 15 square miles. Since 1946, the City has contained the site for the New Orleans International Airport.

Major industries located within the City's boundaries or in close proximity include retail, air carriers, gaming, telephone, energy and telecommunications providers, and manufacturing.

### REPORTING ENTITY AND ITS SERVICES

The City is a unit of general local government under the Census Bureau's criteria. It is a home rule charter city incorporated under the constitution and laws of the State of Louisiana on July 1, 1974. A seven person council and an elected mayor govern the City, as reflected in the organizational chart of the City's administrative departments included in this introductory section. The City's department directors with the exception of the Police Department, which is governed by an elected chief, report to the Chief Administrative Officer who in turn reports directly to the Mayor.

This report includes government-wide financial statements and fund financial statements of the City. The City provides a full range of services. These services include police and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events. As required by generally accepted accounting principles, the financial statements of the reporting entity present the primary government (the City) and any component units. Component units are defined as legally separate organizations for which the City is financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with the primary government (the City) is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City has no component units currently.

## THE REPORT FORM

The authoritative promulgations by the Governmental Accounting Standards Board (GASB) were applied in the preparation of this report.

Users of the Comprehensive Annual Financial Report should also refer to the narrative introduction, overview, and analysis found in the Management's Discussion and Analysis (MD&A) in the financial section of the Comprehensive Annual Financial Report.

## FINANCIAL INFORMATION

### Internal Accounting Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

### Single Audit

As a recipient of federal, state and parish financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. I believe that the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year-ended June 30, 2014 are included in the Single Audit Section of this report.

### Budgetary Control

In addition, the government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Enterprise Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level, except for the General Fund which is at the departmental level. Any amendments to the total budgeted expenditures of a department require Council approval. The Mayor can approve changes to the budget within a department, as long as the total is not changed. The government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Besides comparing current year expenditures to the prior year, comparison to budget is of paramount importance in a government's financial reporting. The City Council annually adopts a budget for each governmental fund type (except capital projects are budgeted on a project basis) and proprietary type funds (except for the Internal Service Funds). Budgetary accounting is not used for the Self Insurance and Health Insurance Internal Service Funds because management considers effective budgetary control achieved since their amounts, which are charged back to other funds, are included as expenditures in each Fund's budget. Budgets are adopted by June 15 for the fiscal year which begins the following July 1. Revenues and expenditures are budgeted on the modified accrual or accrual basis as appropriate for the fund type. Encumbrances of the current year are recorded as obligations against budgeted appropriations and are included in the columns titled "budgetary" in the statements in the financial section of this report.

## LOCAL ECONOMY

Sales taxes, which are the City's largest revenue, continue to fluctuate and decreased slightly in the 2013-2014 fiscal year. Expenditures such as insurance, retirement, and utilities continue to escalate. The City continues to make budget cuts and has now made over \$9 million in budget cuts including the elimination of 141 budgeted positions over a six year period. In addition, the City has been rededicating a portion of its capital funds to operations to help balance the operating budget. During the first six months of the 2014-2015 fiscal year, some months sales taxes have been up while down in



other months but overall have shown a small increase. Revenues will have to show improvement in order to avoid additional cuts and rededicating additional capital funds. The City is working to improve our economy with a corridor redevelopment plan and there is a major construction project at the airport which is expected to begin soon, as noted in the Management's Discussion and Analysis, which should improve the City's economy over the next several years.

## LEGAL COMPLIANCE

The Single Audit Act of 1984 (P.L. 98-502) and related 1996 Amendments requires reports by the Auditors on compliance and on the internal control over financial reporting in accordance with Government Auditing Standards, the City's compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and the Schedule of Expenditures of Federal Awards. These reports, along with the City management's responses to the non-compliance findings, are presented in the Single Audit Section of this report.

## INDEPENDENT AUDIT

Louisiana municipalities not audited by the Legislative Auditor are required by La. R.S. 24:517 to have conducted annually an audit of their accounts by a certified public accountant. Moreover, the City Charter (Section 2:28) requires that the Council shall execute a contract each year with a certified public accountant or a firm of certified public accountants for an examination of the accounts of the City to include all funds appropriated by the Council. These requirements have been complied with and the opinion of the firm of Duplantier, Hrapmann, Hogan & Maher, L.L.P., Certified Public Accountants has been included in this report.

## AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year-ended June 30, 2013. This was the nineteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

I would also like to thank the staff at Duplantier, Hrapmann, Hogan & Maher, L.L.P., Certified Public Accountants, for their invaluable assistance in completing this Comprehensive Annual Financial Report of the City of Kenner.

In closing, without the leadership and support of the Mayor, the Chief Administrative Officer and the City Council, preparation of this report would not have been possible.

Sincerely,



DUKE P. McCONNELL, CPA  
Chief Financial Officer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Kenner  
Louisiana**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

## SELECTED OFFICIALS OF THE CITY OF KENNER

### CITY COUNCIL

Councilwoman at Large Division A  
Councilman at Large Division B  
District No. 1  
District No. 2  
District No. 3  
District No. 4  
District No. 5

Maria DeFrancesch  
Keith Conley  
Gregory Carroll  
Michael Sigur  
Keith Reynaud  
Leonard Cline  
Dominick Impastato

### EXECUTIVE STAFF

Mayor  
Chief Administrative Officer  
Chief of Police  
City Attorney  
Deputy Chief Administrative Officer  
Chief Financial Officer

Honorable Michael S. Yenni  
Michael Quigley  
Michael Glaser  
Michael Power  
Natalie Newton  
Duke McConnell

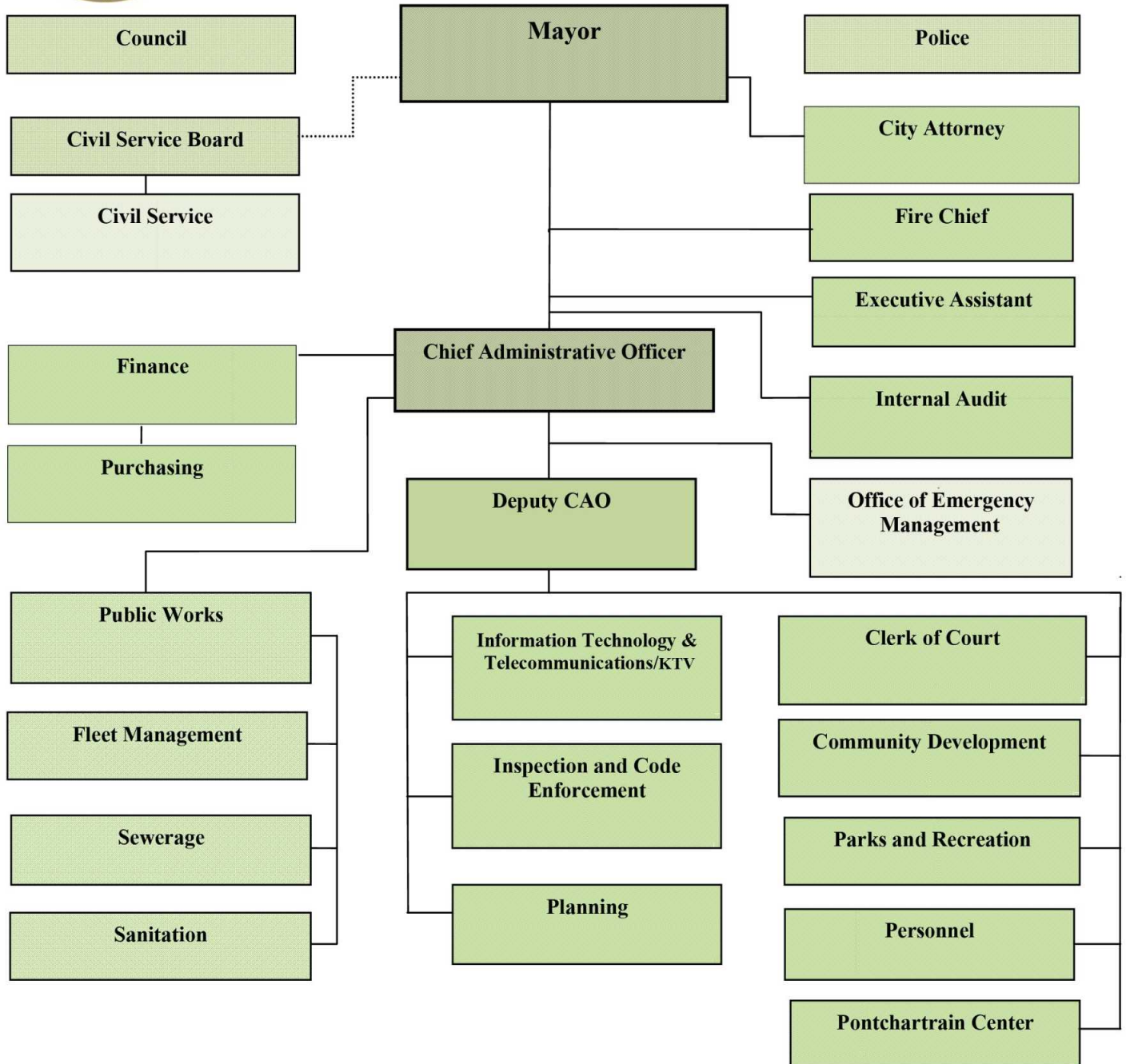
### DEPARTMENT HEADS

Inspection and Code Enforcement  
Community Development  
Parks and Recreation  
Human Resources  
Planning  
Purchasing  
Fire Chief  
Clerk of Court Director  
Information Technology  
Internal Audit  
Council Clerk  
Civil Service  
Fleet Management  
Public Works

Aimee Vallot  
Arleeta Terrell  
Ken Marroccoli  
Wendi Folse  
Jay Hebert  
Theresa Nevels  
John Hellmers  
Tamithia Shaw  
Valerie Waguespack  
Vacant  
Natalie Hall  
Wendy Lorenz  
Ronnie Vitellaro  
Jose Gonzalez

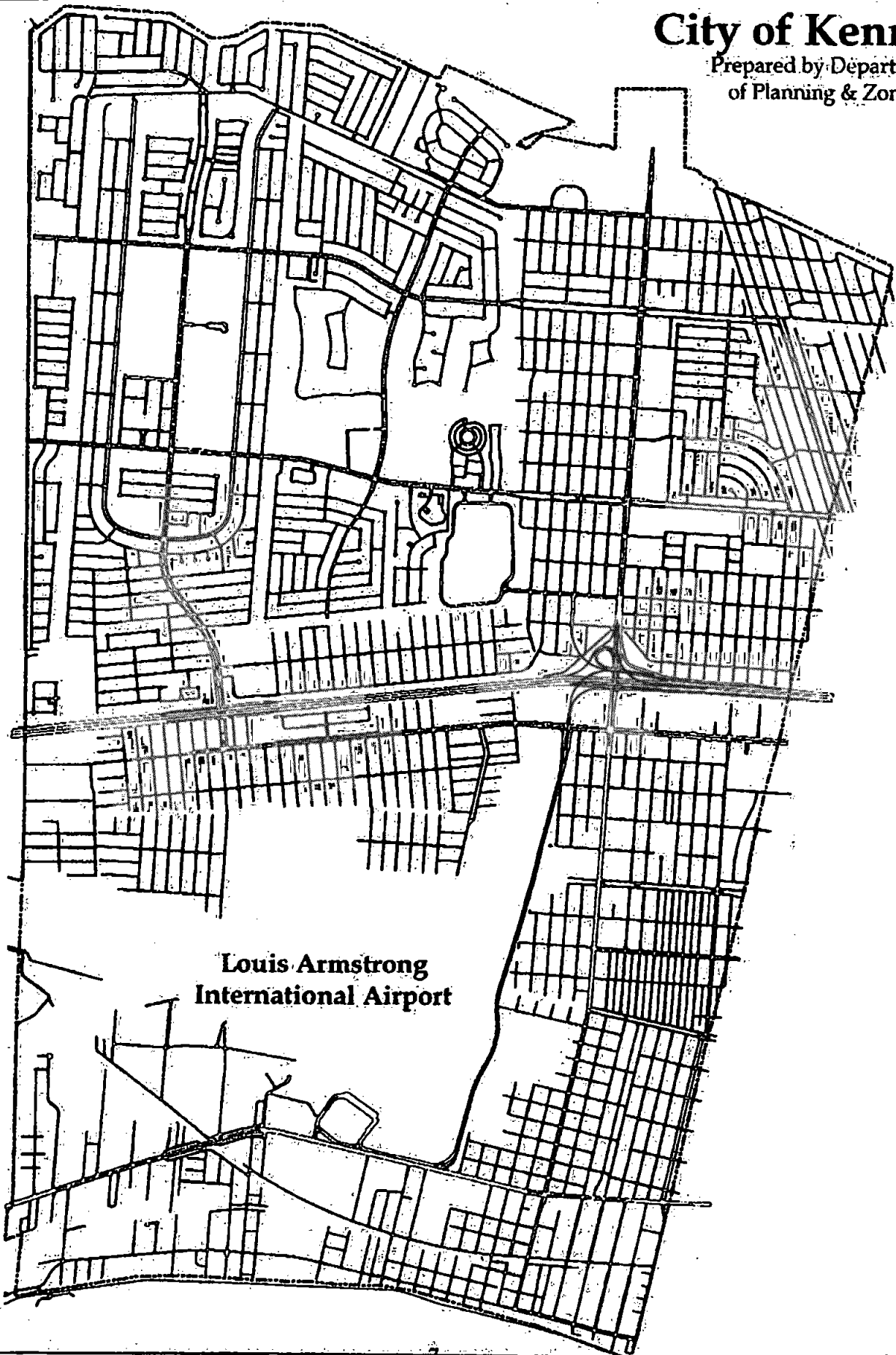


# City of Kenner Organization of Government



# City of Kenner

Prepared by Department  
of Planning & Zoning



Louis Armstrong  
International Airport

## **FINANCIAL SECTION**



WILLIAM G. STAMM, C.P.A.  
LINDSAY J. CALUB, C.P.A., L.L.C.  
GUY L. DUPLANTIER, C.P.A.  
MICHELLE H. CUNNINGHAM, C.P.A.  
DENNIS W. DILLON, C.P.A.  
GRADY C. LLOYD, III, C.P.A.

HEATHER M. JOVANOVICH, C.P.A.  
TERRI L. KITTO, C.P.A.



DUPLANTIER, HRAPMANN,  
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LA C.P.A.'S

MICHAEL J. O'ROURKE, C.P.A.  
DAVID A. BURGARD, C.P.A.  
CLIFFORD J. GIFFIN, Jr., CPA  
HENRY L. SILVIA, C.P.A.

A.J. DUPLANTIER JR, C.P.A. (1919-1985)  
FELIX J. HRAPMANN, JR, C.P.A. (1919-1990)  
WILLIAM R. HOGAN, JR., CPA (1920-1996)  
JAMES MAHER, JR, C.P.A. (1921-1999)

## INDEPENDENT AUDITOR'S REPORT

December 29, 2014

Honorable Mayor and Members of the Council  
City of Kenner, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Kenner, Louisiana as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kenner, Louisiana as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 16 and the required supplementary information on pages 60-64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kenner, Louisiana's basic financial statements. The introductory section on pages 1-7, the other supplementary information on pages 65-105, and the statistical section on pages 106-128 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The other supplementary information on pages 65-105, and the schedule of expenditures of federal awards on pages 133 and 134, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2014, on our consideration of the City of Kenner, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Kenner, Louisiana's internal control over financial reporting and compliance.

Duplantier, Krapmann, Kogan & Maher, LLP

## **REQUIRED SUPPLEMENTARY INFORMATION - PART I**

**CITY OF KENNER, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

This management discussion and analysis is intended to provide the readers of the City's financial statements with an overview and analysis of the financial activities of the City for the year ended June 30, 2014. It should be read in conjunction with the transmittal letter and financial statements including footnotes.

**FINANCIAL HIGHLIGHTS**

The assets of the City exceeded its liabilities by approximately \$246 million at June 30, 2014. Of this amount approximately \$194 million is the net investment in capital assets.

The City's unrestricted net position in governmental activities are approximately \$4.0 million, which is an improvement primarily as a result of a number of capital projects being completed and placed in service.

Business type activities unrestricted net position are approximately (\$.6) million which is an improvement due to transfers from capital projects funds. The deficit in Wastewater is expected to be eliminated from future revenues.

The City's total net position decreased by approximately \$17 million. Net position of governmental activities decreased by approximately \$19 million due to depreciation. Net position of business type activities increased by approximately \$2 million due to \$11 million in additional capital projects which was partially offset by \$5 million in additional drawdowns on Louisiana Department of Environmental Quality (LDEQ) loans and \$4 million in depreciation.

The City's general fund reported an unassigned fund balance of approximately \$6.1 million which is a decrease of \$.4 million due to committing a portion of the fund balance to operations in the coming year.

The unassigned fund balance of the general fund represents 10% of the City's operating expenditures.

During the year the City continued to drawdown funds from two low interest loans from LDEQ for additional projects as part of the City's Sewerage Capital Improvement Program. The Sewerage Capital Improvement Program is intended to overhaul the City's sewerage system to address a compliance order from the LDEQ which the City has been under for a number of years.

In August 2013 the City refinanced its 2003 sales tax bonds to obtain funds for a corridor redevelopment program which was recommended by the Mayor's Economic Development Committee. The plan is intended to enhance the City's image to attract new businesses and residents to the City. The refinancing involved extending the maturity date and lowering the City's interest rate in order to provide \$28 million for the program with the City's annual debt service remaining the same. The additional funding received for these projects is the reason for the significant increase in the fund balance in the Capital Projects funded with bond proceeds fund.

The City's total debt increased by \$33 million due to the refinancing of the sales tax bonds noted above and due to additional drawdowns on the LDEQ loans less scheduled debt payments.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The management discussion and analysis serves as an introduction to the City's basic financial statements, which are the government-wide financial statements, fund financial statements, and notes to the financial statements. Also included in the report is required supplementary information.

**Government-wide financial statements.** The government-wide financial statements report information about the overall finances of the City similar to a business enterprise. The statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

The statement of net position presents information on all of the City's assets, less liabilities, which results in net position. The statement is designed to display the financial position of the City. Over time, increases or decreases in net position help determine whether the City's financial position is improving or deteriorating.

**CITY OF KENNER, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

The statement of activities provides information which shows how the City's net position changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid.

The Statement of Net Position and the Statement of Activities distinguish functions of the City that are financed primarily by taxes, intergovernmental revenues, and charges for services (governmental activities) from functions where user fees and charges to customers help to cover all or most of the cost of services (business-type activities). The City's governmental activities include general government, public safety, public works, cultural and recreation, health and welfare and transit and urban development. The business-type activities of the City include the City's sewer system and civic center.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city uses fund accounting to ensure and demonstrate fiscal accountability. The City uses governmental, proprietary, and fiduciary fund financial statements to provide more detailed information about the City's most significant funds rather than the City as a whole.

**Governmental funds.** Governmental funds are used to report most of the City's basic services. The funds focus on the inflows and outflows of current resources and the balance of spendable resources available at the end of the fiscal year. Governmental fund statements provide a near or short-term view of the City's operations. A reconciliation is prepared of the governmental funds Balance Sheet to the Statement of Net Assets and the Statement of Revenues, Expenditures, and Changes in Fund Balances of governmental funds to the Statement of Activities.

Twelve governmental funds are used by the City. The City has five major governmental funds, which have separately presented information in the governmental fund Balance Sheet, and Statement of Revenues and Expenditures and Changes in Fund Balance. The major funds are the General Fund, One Percent Sales Tax of 1984 Fund, General Debt Fund, General Capital Projects Fund, and Capital Projects Funded with Bond Proceeds Fund. The seven non-major funds are presented in the aggregate in the governmental fund financial statements. The individual fund information is presented in combining statements.

The City adopts an annual budget for its governmental funds with the exception of the Capital Projects Funded with Bond Proceeds Fund. Budgetary comparison statements have been provided for these funds except for the General Capital Projects funds.

**Proprietary funds.** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer and civic center operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its health care and self-insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the sewer and civic center, both of which are considered major funds of the City.

Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements and elsewhere in this report.

The City also adopts an annual budget for its enterprise funds, and budgetary comparison statements are provided for these funds.

**Fiduciary funds.** Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the City cannot use these assets for its operations.



**CITY OF KENNER, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Government-wide Financial Analysis**

**Net position.** The following table reflects condensed information on the City's net position for the current and prior years.

	<b>Net Position June 30, (In thousands)</b>					
	Governmental Activities 2014	Business-type Activities 2014	Total 2014	Governmental Activities 2013	Business-type Activities 2013	Total 2013
Assets:						
Current and other assets	\$ 63,029	\$ 14,573	\$ 77,602	\$ 37,605	\$ 11,753	\$ 49,358
Capital assets	<u>203,562</u>	<u>80,729</u>	<u>284,291</u>	<u>219,156</u>	<u>74,308</u>	<u>293,464</u>
Total assets	<u>266,591</u>	<u>95,302</u>	<u>361,893</u>	<u>256,761</u>	<u>86,061</u>	<u>342,822</u>
Deferred outflows of resources	<u>403</u>	<u>-</u>	<u>403</u>	<u>313</u>	<u>-</u>	<u>313</u>
Liabilities:						
Long-term outstanding debt	77,311	24,761	102,072	50,857	18,066	68,923
Other liabilities	<u>12,807</u>	<u>1,907</u>	<u>14,714</u>	<u>10,023</u>	<u>1,013</u>	<u>11,036</u>
Total liabilities	<u>90,118</u>	<u>26,668</u>	<u>116,786</u>	<u>60,880</u>	<u>19,079</u>	<u>79,959</u>
Net position:						
Invested in capital assets, net of related debt	138,185	55,968	194,153	180,438	56,242	236,680
Restricted	34,665	13,261	47,926	20,478	15,069	35,547
Unrestricted	<u>4,026</u>	<u>(595)</u>	<u>3,431</u>	<u>(4,722)</u>	<u>(4,329)</u>	<u>(9,051)</u>
Total net position	<u>\$ 176,876</u>	<u>\$ 68,634</u>	<u>\$ 245,510</u>	<u>\$ 196,194</u>	<u>\$ 66,982</u>	<u>\$ 263,176</u>

**CITY OF KENNER, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**Changes in net position.** The City's total revenues and expenses for governmental and business-type activities are reflected in the following chart for the current and prior years.

<b>Changes in Net Position</b>						
<b>June 30,</b>						
<b>(In thousands)</b>						
	Governmental Activities 2014	Business-type Activities 2014	Total 2014	Governmental Activities 2013	Business-type Activities 2013	Total 2013
Revenues:						
Program revenues:						
Charges for services	\$ 16,250	\$ 8,352	\$ 24,602	\$ 16,221	\$ 7,621	\$ 23,842
Operating grants & Contributions	1,432	-	1,432	2,119	-	2,119
Capital grants & Contributions	2,493	3,074	5,567	3,843	2,075	5,918
General revenues:						
Property taxes	7,715	443	8,158	7,618	596	8,214
Sales taxes	30,832	-	30,832	31,708	-	31,708
Other taxes	10,212	729	10,941	10,083	781	10,864
Grants & contributions not restricted to specific program	106	95	201	218	156	374
Other	510	13	523	283	55	338
Total revenues	<u>69,550</u>	<u>12,706</u>	<u>82,256</u>	<u>72,093</u>	<u>11,284</u>	<u>83,377</u>
Program expenses:						
General government	15,177	-	15,177	14,335	-	14,335
Public safety	29,636	-	29,636	29,726	-	29,726
Public works	28,878	-	28,878	30,447	-	30,447
Health and welfare	464	-	464	461	-	461
Culture and recreation	8,329	-	8,329	7,459	-	7,459
Transit & urban development	1,807	-	1,807	2,178	-	2,178
Debt issuance costs	699	-	699	167	-	167
Interest on long term debt	1,743	-	1,743	1,582	-	1,582
Sewer operations	-	9,868	9,868	-	10,025	10,025
Civic center operations	-	3,317	3,317	-	3,229	3,229
Total expenses	<u>86,733</u>	<u>13,185</u>	<u>99,918</u>	<u>86,355</u>	<u>13,254</u>	<u>99,609</u>
Change in net position before Transfer and Extraordinary Items	<u>(17,183)</u>	<u>(479)</u>	<u>(17,662)</u>	<u>(14,262)</u>	<u>(1,970)</u>	<u>(16,232)</u>
Transfers	<u>(2,134)</u>	<u>2,134</u>	<u>-</u>	<u>(20)</u>	<u>20</u>	<u>-</u>
Change in net position before Extraordinary Items	<u>(19,317)</u>	<u>1,655</u>	<u>(17,662)</u>	<u>(14,282)</u>	<u>(1,950)</u>	<u>(16,232)</u>
Extraordinary Items and other						
Gain on disposal of capital assets	-	-	-	-	(484)	(484)
Reclassification of debt	-	-	-	-	-	-
Change in net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(484)</u>	<u>(484)</u>
Net position - beginning of year	<u>196,194</u>	<u>66,980</u>	<u>263,174</u>	<u>210,476</u>	<u>69,414</u>	<u>279,890</u>
Net position-end of year	<u>\$ 176,877</u>	<u>\$ 68,635</u>	<u>\$ 245,512</u>	<u>\$ 196,194</u>	<u>\$ 66,980</u>	<u>\$ 263,174</u>

**CITY OF KENNER, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Capital Assets and Debt Administration**

**Capital assets.** The City's investment in capital assets as of June 30, 2014 for its governmental and business-type activities was approximately \$284 million, net of depreciation as reflected in the schedule below:

**Capital Assets  
June 30, 2014  
(Net of depreciation in thousands)**

	Governmental Activities	Business-type Activities	Total
Land	\$ 9,674	\$ 3,799	\$ 13,473
Construction in progress	5,761	12,500	18,261
Capitalized Interest	-	43	43
Buildings	23,118	59,282	82,400
Improvements other than buildings	6,743	142	6,885
Equipment	7,330	4,963	12,293
Infrastructure	<u>150,935</u>	<u>-</u>	<u>150,935</u>
Total	<u>\$ 203,561</u>	<u>\$ 80,729</u>	<u>\$ 284,290</u>

The majority of the capital additions for the year were for sewerage improvements as the City continued a major program to upgrade the City's sewerage system funded with funds loaned from the Louisiana Department of Environmental Quality and bonds issued. The City also purchased additional police vehicles to enhance public safety and additional equipment needed for Public Works activities. For additional information on capital asset activity see note "H" in the Notes to the Financial Statements section.

**Long-term debt.** At year-end, the City had approximately \$97 million in long-term debt as shown in the table below.

**Outstanding long-term debt  
June 30, 2014  
(In thousands)**

	Governmental Activities	Business-type Activities	Total
Revenue bonds	\$ 43,499	\$ -	\$ 43,499
Note payable	24,050	24,761	48,811
Other	<u>4,638</u>	<u>-</u>	<u>4,638</u>
Total	<u>\$ 72,187</u>	<u>\$ 24,761</u>	<u>\$ 96,948</u>

The City's total long-term debt increased by approximately \$33 million, which was explained earlier.

The City's sales tax bonds are rated B, negative outlook by Standard and Poor's based on the bond insurance policy issued by MBIA Insurance Corporation. The City has not obtained an underlying rating of these bonds.

The 2011 Sewer bonds have an underlying rating of A and an insured rating of AA- from Standard and Poor's.

State statutes limit the amount of government obligation debt a municipality may issue at a maximum of 10% of the assessed valuation for any purpose. The maximum may be exceeded if the aggregate issued for all purposes does not exceed 35% of the total assessed valuation. The City's outstanding general obligation debt is below the state limit. Approximately \$205 million of additional general obligation bonded debt is available for issuance. See note

**CITY OF KENNER, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

"I" in the Notes to the Financial Statements section of this report for additional information on the City's Long Term Debt.

Revenues excluding grants and capital contributions were flat during the year as sales tax decreased however service charges increased. Capital Contributions decreased as less capital projects were completed during the year. The cost of providing services continue to rise and although the City made budget cuts for the fifth year in a row, including \$.5 million in 2013/2014 fiscal year, it was necessary for the City to again rededicate a portion of the City's capital funds, approximately \$814,000 rededicated for the 2013/2014 fiscal year, to balance the operating budget to avoid reductions in services.

The City strives to maintain an unassigned fund balance in the general fund of approximately 10% of operating expenses. The fund balance is needed to help the city meet any unforeseen expenditures such as major storms, etc. and to meet the city's cash flow needs as several services are financed using property tax millages such as garbage services and fire protection and the property taxes are not collected until the middle of the fiscal year. As noted earlier the unassigned fund balance in the general fund is approximately 10% of operating expenditures.

The City's total governmental expenditures increased by approximately \$.4 million. The City's business-type activities expenses decreased slightly.

The city also continues to rebuild damaged facilities from hurricanes Katrina and Isaac with funding received from FEMA.

#### **BUDGETARY HIGHLIGHTS**

General fund revenues came in slightly higher than the budget due to sales taxes, franchise taxes and intergovernmental revenue however riverboat revenues, building permits and fines came in under budget.

General fund expenditures were in line with the budget.

#### **ECONOMIC OUTLOOK**

Sales taxes, the city's primary revenue, continue to fluctuate but are up slightly so far in the coming year. Sales taxes are expected to continue to grow but costs continue to rise as well. For the last several years the City has been having to make budget cuts, rededicate capital funds to operations and use a portion of the City's fund balance to balance the budget as costs have been rising faster than revenues. Unless revenue growth outpaces the rate at which costs continue to rise the City will have to continue to make budget cuts and rededicate capital funds to maintain a balanced budget.

There are some positive developments which should help improve the City's economy. Louis Armstrong New Orleans International Airport, which is located in the City, intends to begin construction in August of 2015 on a new \$650 million north terminal. This will be the largest construction project in the history of the City and will take four years to build. This project will have a major impact on the City's economy in the coming years.

The corridor redevelopment plan, as noted earlier, is also expected to improve the City's economy in the coming years. The projects are currently in design and construction is expected to start on some of the projects in the current year.

The City continues to make repairs from hurricanes Katrina and Isaac. While Katrina repairs are covered 100% by FEMA, Isaac repairs are only 75% covered by FEMA and the City will have to fund the remainder.

The city continues to be under a compliance order from the Louisiana Department of Environmental Quality, which will require substantial improvements to the sewer system. The funding is in place for the improvements from two LDEQ loans and a bond issue and the City continues with the necessary repairs.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash	\$ 2,443,546	\$ 464,129	\$ 2,907,675
Equity in pooled cash	3,905,281	-	3,905,281
Investments	5,989,294	-	5,989,294
Receivables (net, where applicable, of allowances for uncollectibles)			
Taxes	1,284,918	-	1,284,918
Accounts	3,828,165	-	3,828,165
Intergovernmental	9,042,126	2,224,703	11,266,829
Special assessments - delinquent	477	-	477
Interest	691,935	-	691,935
Service charges	-	2,138,231	2,138,231
Other	12,961	32,427	45,388
Internal balances	3,650,819	(3,650,819)	-
Inventory, at cost	63,121	-	63,121
Prepaid items	80,890	62,225	143,115
Refundable deposits	-	3,669	3,669
Restricted assets:			
Cash	32,036,146	13,298,316	45,334,462
Capital assets not being depreciated	15,435,809	16,341,600	31,777,409
Capital assets being depreciated, net of accumulated depreciation	188,125,857	64,387,394	252,513,251
Total assets	266,591,345	95,301,875	361,893,220
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	403,088	-	403,088
<b>LIABILITIES</b>			
Accounts payable	4,090,659	1,340,639	5,431,298
Estimated claims payable	5,214,588	-	5,214,588
Contracts payable	-	-	-
Retainages payable	168,707	221,474	390,181
Accrued liabilities	1,883,655	40,131	1,923,786
Deposits on future events	-	220,205	220,205
Due to other governments	121,361	-	121,361
Unearned revenue	1,210,489	83,935	1,294,424
Other liabilities	117,583	-	117,583
Current portion of long-term debt	7,700,704	450,000	8,150,704
Non-current liabilities:			
Due in more than one year	69,610,411	24,311,160	93,921,571
Total liabilities	90,118,157	26,667,544	116,785,701
<b>DEFERRED INFLOWS OF RESOURCES</b>			
	-	-	-
<b>NET POSITION</b>			
Net investment in capital assets	138,185,196	55,967,834	194,153,030
Restricted for:			
Capital projects	28,304,511	11,518,828	39,823,339
Debt service	4,558,908	1,742,381	6,301,289
Other	1,801,531	-	1,801,531
Unrestricted	4,026,130	(594,712)	3,431,418
Total net position	\$ 176,876,276	\$ 68,634,331	\$ 245,510,607

The accompanying notes are an integral part of this statement.



CITY OF KENNER, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
General government	\$ 15,177,249	\$ 7,396,643	\$ 181,993	\$ 13,834	\$ (7,584,779)	\$ -	\$ (7,584,779)
Public safety	29,635,749	3,670,994	535,003	-	(25,429,752)	-	(25,429,752)
Public works	28,877,594	4,196,238	326,642	1,771,633	(22,583,081)	-	(22,583,081)
Health and welfare	463,687	41,626	-	-	(422,061)	-	(422,061)
Culture and recreation	8,328,521	841,981	121,816	173,681	(7,191,043)	-	(7,191,043)
Transit and urban development	1,807,143	102,315	266,793	533,567	(904,468)	-	(904,468)
Interest on long-term debt and other charges	1,743,210	-	-	-	(1,743,210)	-	(1,743,210)
Debt issuance costs	699,366	-	-	-	(699,366)	-	(699,366)
Total Governmental Activities	<u>86,732,519</u>	<u>16,249,797</u>	<u>1,432,247</u>	<u>2,492,715</u>	<u>(66,557,760)</u>	<u>-</u>	<u>(66,557,760)</u>
<b>Business-type Activities</b>							
Wastewater Operations	9,868,246	7,045,527	-	3,073,925	-	251,206	251,206
Civic Center Operations	3,317,342	1,306,346	-	-	-	(2,010,996)	(2,010,996)
Total Business-type Activities	<u>13,185,588</u>	<u>8,351,873</u>	<u>-</u>	<u>3,073,925</u>	<u>-</u>	<u>(1,759,790)</u>	<u>(1,759,790)</u>
Total	<u>\$ 99,918,107</u>	<u>\$ 24,601,670</u>	<u>\$ 1,432,247</u>	<u>\$ 5,566,640</u>	<u>(66,557,760)</u>	<u>(1,759,790)</u>	<u>(68,317,550)</u>
General Revenues:							
Taxes:							
Ad valorem					7,714,727	442,735	8,157,462
Sales and use					30,831,511	-	30,831,511
Beer tax					70,784	-	70,784
Parking					2,303,311	-	2,303,311
Franchise					7,837,526	728,574	8,566,100
Grants and contributions not restricted to specific programs					105,524	95,019	200,543
Investment earnings					42,272	7,630	49,902
Miscellaneous					468,097	5,003	473,100
Transfers					(2,134,085)	2,134,085	-
Total general revenues, transfers, and other					<u>47,239,667</u>	<u>3,413,046</u>	<u>50,652,713</u>
Change in Net Position					<u>(19,318,093)</u>	<u>1,653,256</u>	<u>(17,664,837)</u>
Net position - beginning of year					<u>196,194,369</u>	<u>66,981,075</u>	<u>263,175,444</u>
Net position - end of year					<u>\$ 176,876,276</u>	<u>\$ 68,634,331</u>	<u>\$ 245,510,607</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	<u>GENERAL</u>	<u>ONE PERCENT SALES TAX OF 1984</u>	<u>GENERAL DEBT</u>
<b>ASSETS</b>			
Cash	\$ 1,881,900	\$ -	\$ 3,373,085
Equity in pooled cash	497,798	-	16,395
Investments	1,003,208	-	-
Receivables (net, where applicable, of allowances for uncollectibles)			
Taxes	1,284,918	-	-
Accounts	2,851,880	-	-
Intergovernmental	3,365,948	1,852,149	633,653
Special assessments - delinquent	477	-	-
Interest	691,259	-	13
Other	-	-	-
Due from other funds	12,671,512	4,714	-
Inventory, at cost	63,121	-	-
Prepaid items	80,890	-	-
	<u>24,392,911</u>	<u>1,856,863</u>	<u>4,023,146</u>
Total assets	<u>\$ 24,392,911</u>	<u>\$ 1,856,863</u>	<u>\$ 4,023,146</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 1,213,777	\$ -	\$ -
Contracts payable	-	-	-
Retainages payable	-	-	-
Accrued liabilities	1,073,274	-	-
Due to other funds	9,705,188	1,856,863	280,221
Due to other governments	121,361	-	-
Unearned revenues	1,138,022	-	-
Other liabilities	117,583	-	-
Total liabilities	<u>13,369,205</u>	<u>1,856,863</u>	<u>280,221</u>
Fund balances:			
Nonspendable			
Prepaid items	80,890	-	-
Inventory	63,121	-	-
Restricted			
Federal grants	-	-	-
Debt service	-	-	3,742,925
Capital projects	608,503	-	-
Law Enforcement	1,387,135	-	-
Committed			
Encumbrances	485,101	-	-
Other commitments	-	-	-
Assigned			
Subsequent year's expenditures	2,267,631	-	-
Unassigned	6,131,325	-	-
Total fund balances	<u>11,023,706</u>	<u>-</u>	<u>3,742,925</u>
Total liabilities and fund balances	<u>\$ 24,392,911</u>	<u>\$ 1,856,863</u>	<u>\$ 4,023,146</u>

The accompanying notes are an integral part of this statement.

<b>GENERAL CAPITAL PROJECTS</b>	<b>CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
\$ -	\$ 28,718,280	\$ 51,765	\$ 34,025,030
2,100,010	-	1,291,078	3,905,281
4,986,086	-	-	5,989,294
-	-	-	1,284,918
-	-	976,285	3,828,165
1,964,669	1,165,883	59,824	9,042,126
-	-	-	477
447	216	-	691,935
12,218	-	744	12,962
6,095,470	860,565	1,032,294	20,664,555
-	-	-	63,121
-	-	-	80,890
<u>\$ 15,158,900</u>	<u>\$ 30,744,944</u>	<u>\$ 3,411,990</u>	<u>\$ 79,588,754</u>
\$ 1,876,577	\$ 548,826	\$ 442,233	\$ 4,081,413
-	-	-	-
82,737	85,970	-	168,707
-	-	341,583	1,414,857
2,376,291	1,706,305	722,680	16,647,548
-	-	-	121,361
-	341,610	675,115	2,154,747
-	-	-	117,583
<u>4,335,605</u>	<u>2,682,711</u>	<u>2,181,611</u>	<u>24,706,216</u>
-	-	-	80,890
-	-	-	63,121
-	-	414,396	414,396
-	-	815,983	4,558,908
-	27,696,008	-	28,304,511
-	-	-	1,387,135
1,873,407	366,225	-	2,724,733
8,949,888	-	-	8,949,888
-	-	-	2,267,631
-	-	-	6,131,325
<u>10,823,295</u>	<u>28,062,233</u>	<u>1,230,379</u>	<u>54,882,538</u>
<u>\$ 15,158,900</u>	<u>\$ 30,744,944</u>	<u>\$ 3,411,990</u>	<u>\$ 79,588,754</u>

**CITY OF KENNER, LOUISIANA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

Fund balances - total governmental funds	\$ 54,882,538
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	203,561,666
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(5,135,366)
Certain revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	944,263
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued interest payable	(468,798)
Compensated absences	(4,638,367)
OPEB Payable	(5,124,195)
Bonds, notes and loans payable (net of premiums, discounts and deferred charges)	<u>(67,145,465)</u>
Net position of governmental activities	<u><u>\$ 176,876,276</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>GENERAL</u>	<u>ONE PERCENT SALES TAX OF 1984</u>	<u>GENERAL DEBT</u>
<b>REVENUES</b>			
Taxes	\$ 24,797,803	\$ 11,325,259	\$ 3,794,185
Licenses and permits	3,191,259	-	-
Intergovernmental	2,059,740	-	-
Charges for services	1,466,541	-	-
Fines and forfeitures	2,187,652	-	-
Interest	5,934	-	917
Miscellaneous	450,563	-	-
	<u>34,159,492</u>	<u>11,325,259</u>	<u>3,795,102</u>
Total revenues			
<b>EXPENDITURES</b>			
Current:			
General government	10,982,307	-	-
Public safety	19,004,377	-	-
Public works	2,769,272	-	-
Health and welfare	398,856	-	-
Culture and recreation	4,375,725	-	-
Transit and urban development	386,175	-	-
Debt service			
Principal	-	-	16,663,000
Interest and fiscal charges	-	-	1,737,634
Debt issuance costs	-	-	-
Miscellaneous	-	-	36,000
	<u>37,916,712</u>	<u>-</u>	<u>18,436,634</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(3,757,220)</u>	<u>11,325,259</u>	<u>(14,641,532)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	9,226,324	-	893,222
Transfers out	(6,567,363)	(11,365,791)	-
Premium on issuance of debt	-	-	-
Issuance of debt	-	-	13,648,074
	<u>2,658,961</u>	<u>(11,365,791)</u>	<u>14,541,296</u>
Total other financing sources and uses			
Net change in fund balances	(1,098,259)	(40,532)	(100,236)
Fund balances - beginning of year	12,121,965	40,532	3,843,161
Fund balances - end of year	<u>\$ 11,023,706</u>	<u>\$ -</u>	<u>\$ 3,742,925</u>

The accompanying notes are an integral part of this statement.

<b>GENERAL CAPITAL PROJECTS</b>	<b>CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
\$ -	\$ -	\$ 8,410,814	\$ 48,328,061
-	-	-	3,191,259
2,544,873	-	266,793	4,871,406
20,000	-	3,229,656	4,716,197
-	-	-	2,187,652
5,874	2,791	131	15,647
498,594	-	6,146	955,303
<u>3,069,341</u>	<u>2,791</u>	<u>11,913,540</u>	<u>64,265,525</u>
1,421,392	-	-	12,403,699
29,781	-	7,200,470	26,234,628
2,373,076	2,552,481	7,277,168	14,971,997
5,947	-	-	404,803
2,633,692	-	-	7,009,417
585,830	-	749,688	1,721,693
-	-	1,906,019	18,569,019
-	-	237,867	1,975,501
-	699,366	-	699,366
-	-	-	36,000
<u>7,049,718</u>	<u>3,251,847</u>	<u>17,371,212</u>	<u>84,026,123</u>
<u>(3,980,377)</u>	<u>(3,249,056)</u>	<u>(5,457,672)</u>	<u>(19,760,598)</u>
3,880,282	-	5,523,842	19,523,670
(3,720,199)	(4,402)	-	(21,657,755)
-	1,156,726	-	1,156,726
-	30,624,007	-	44,272,081
<u>160,083</u>	<u>31,776,331</u>	<u>5,523,842</u>	<u>43,294,722</u>
(3,820,294)	28,527,275	66,170	23,534,124
<u>14,643,589</u>	<u>(465,042)</u>	<u>1,164,209</u>	<u>31,348,414</u>
<u>\$ 10,823,295</u>	<u>\$ 28,062,233</u>	<u>\$ 1,230,379</u>	<u>\$ 54,882,538</u>



**CITY OF KENNER, LOUISIANA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Net change in fund balances, total governmental funds	\$ 23,534,124
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlays	2,295,433
Depreciation expense	(17,015,854)
In the statement of activities, only the gain on the sale of capital assets is reported, while in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	(873,700)
Certain governmental revenues will not be collected for several months after year-end and are deferred in the governmental funds.	(231,312)
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(26,591,497)
Payment of compensated absences is reported as expenditures in the governmental funds when actually paid. However, on the statement of activities compensated absences are expensed as they are accrued. This is the change in the compensated absence liability.	217,469
Payment of other post employment benefits is reported as expenditures in the governmental funds when actually paid. However, on the statement of activities other post employment benefits are expensed as they are accrued. This is the change in the other post employment liability.	(93,288)
Internal service funds are used by management to charge the costs of insurance to individual funds. The net revenue (expense) of internal service funds are reported with governmental activities.	(559,468)
Change in net position of governmental activities	\$ (19,318,093)

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2014**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			<b>GOVERNMENTAL</b>
	<b>DEPARTMENT OF WASTEWATER OPERATIONS</b>	<b>CIVIC CENTER OPERATIONS</b>	<b>TOTAL</b>	<b>ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>ASSETS</b>				
Current assets:				
Cash	\$ 148,441	\$ 315,688	\$ 464,129	\$ 454,662
Equity in pooled cash	-	-	-	-
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	-	-	-	-
Intergovernmental	1,974,821	249,882	2,224,703	-
Service charges	2,042,782	95,449	2,138,231	-
Other		32,427	32,427	-
Due from other funds	1,879,685	2,000,000	3,879,685	-
Restricted cash	13,298,316	-	13,298,316	-
Prepaid expenses	-	62,225	62,225	-
Refundable deposits	3,669	-	3,669	-
Total current assets	19,347,714	2,755,671	22,103,385	454,662
Noncurrent assets:				
Capital assets:				
Land	-	3,798,726	3,798,726	-
Buildings and improvements	99,917,896	20,878,400	120,796,296	-
Improvements other than buildings	-	1,754,533	1,754,533	-
Furniture and fixtures	13,319,446	4,847,204	18,166,650	-
Vehicles and field equipment	1,344,350	-	1,344,350	-
Capitalized interest	42,829	-	42,829	-
Construction in progress	12,500,045	-	12,500,045	-
Less: accumulated depreciation	(62,066,924)	(15,607,511)	(77,674,435)	-
Total capital assets, net	65,057,642	15,671,352	80,728,994	-
Total noncurrent assets	65,057,642	15,671,352	80,728,994	-
Total assets	84,405,356	18,427,023	102,832,379	454,662
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-	-	-	-

(Continued)

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2014**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			<b>GOVERNMENTAL</b>
	<b>DEPARTMENT OF WASTEWATER OPERATIONS</b>	<b>CIVIC CENTER OPERATIONS</b>	<b>TOTAL</b>	<b>ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 1,105,914	\$ 234,725	\$ 1,340,639	\$ 9,246
Retainage payable	221,474	-	221,474	-
Estimated claims payable	-	-	-	5,214,588
Accrued liabilities	-	40,131	40,131	-
Deposits on future events	-	220,205	220,205	-
Due to other funds	5,879,355	1,651,149	7,530,504	366,194
Bonds payable	450,000	-	450,000	-
Unearned revenue	83,935	-	83,935	-
Total current liabilities	7,740,678	2,146,210	9,886,888	5,590,028
<b>NONCURRENT LIABILITIES</b>				
Bonds payable	24,311,160	-	24,311,160	-
Total noncurrent liabilities	24,311,160	-	24,311,160	-
Total liabilities	32,051,838	2,146,210	34,198,048	-
<b>DEFERRED INFLOWS OF RESOURCES</b>	-	-	-	-
<b>NET POSITION</b>				
Net investment in capital assets	40,296,482	15,671,352	55,967,834	-
Restricted for capital projects	11,518,828	-	11,518,828	-
Restricted for debt service	1,742,381	-	1,742,381	-
Unrestricted	(1,204,173)	609,461	(594,712)	(5,135,366)
Total net position	\$ 52,353,518	\$ 16,280,813	\$ 68,634,331	\$ (5,135,366)

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
	<b>DEPARTMENT OF WASTEWATER OPERATIONS</b>	<b>CIVIC CENTER OPERATIONS</b>	<b>TOTAL</b>	
<b>OPERATING REVENUES</b>				
Charges for services	7,045,527	\$ 1,306,346	\$ 8,351,873	\$ 5,514,238
Miscellaneous	-	5,004	5,004	-
Total operating revenues	7,045,527	1,311,350	8,356,877	5,514,238
<b>OPERATING EXPENSES</b>				
Supplies and other expenses	1,208	24,296	25,504	-
Building and maintenance expenses	125,396	558,446	683,842	-
Outside services	6,079,653	1,207,222	7,286,875	100,500
Public works	-	-	-	-
Insurance claims	-	-	-	1,534,000
Insurance premiums	-	100,802	100,802	4,439,266
Depreciation	2,983,281	1,278,207	4,261,488	-
Other	20,011	15,243	35,254	-
Total operating expenses	9,209,549	3,184,216	12,393,765	6,073,766
Operating income (loss)	(2,164,022)	(1,872,866)	(4,036,888)	(559,528)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Ad valorem taxes	442,735	-	442,735	-
Hotel/motel taxes	-	347,968	347,968	-
Cable television franchise fees	-	380,606	380,606	-
Intergovernmental	109	94,910	95,019	-
Hurricane repairs	-	(133,126)	(133,126)	-
Interest income	7,603	27	7,630	60
Interest expense	(658,698)	-	(658,698)	-
Total non-operating revenues (expenses)	(208,251)	690,385	482,134	60
Income (loss) before contributions, transfers and extraordinary item	(2,372,273)	(1,182,481)	(3,554,754)	(559,468)
Capital contributions	3,073,925	-	3,073,925	-
Transfers in	134,085	2,000,000	2,134,085	-
Change in net position	835,737	817,519	1,653,256	(559,468)
Net position - beginning of year	51,517,781	15,463,294	66,981,075	(4,575,898)
Net position - end of year	52,353,518	\$ 16,280,813	\$ 68,634,331	\$ (5,135,366)

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</u>
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 6,555,225	\$ 1,281,517	\$ 7,836,742	\$ 5,489,938
Payments to suppliers	(5,459,052)	(1,970,189)	(7,429,241)	(5,564,152)
Internal activity - payments (to)/from other funds	<u>(455,880)</u>	<u>(2,059,457)</u>	<u>(2,515,337)</u>	<u>(101,506)</u>
Net cash provided (used) by operating activities	<u>640,293</u>	<u>(2,748,129)</u>	<u>(2,107,836)</u>	<u>(175,720)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Ad valorem taxes	442,735	-	442,735	-
Hotel/motel taxes	-	363,264	363,264	-
Cable television franchise fees	-	380,355	380,355	-
Internal activity - receipts from other funds	<u>134,084</u>	<u>-</u>	<u>134,084</u>	<u>24,300</u>
Net cash provided by noncapital financing activities	<u>576,819</u>	<u>743,619</u>	<u>1,320,438</u>	<u>24,300</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Intergovernmental	5,629,278	(133,126)	5,496,152	-
Principal payments - bonds payable	(435,000)	-	(435,000)	-
Internal activity - payments from (to) other funds	-	2,000,000	2,000,000	-
Purchase of capital assets	<u>(7,591,816)</u>	<u>-</u>	<u>(7,591,816)</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(2,397,538)</u>	<u>1,866,874</u>	<u>(530,664)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds from sales and maturities of investments	-	-	-	-
Purchase of investments	-	-	-	-
Capitalized interest expense	(16,812)	-	(16,812)	-
Interest expense	(658,698)	-	(658,698)	-
Interest and dividends received	<u>7,603</u>	<u>27</u>	<u>7,630</u>	<u>60</u>
Net cash provided (used) by investing activities	<u>(667,907)</u>	<u>27</u>	<u>(667,880)</u>	<u>60</u>
Net increase (decrease) in cash and cash equivalents	(1,848,333)	(137,609)	(1,985,942)	(151,360)
Cash and cash equivalents, beginning of year	<u>15,295,090</u>	<u>453,297</u>	<u>15,748,387</u>	<u>606,022</u>
Cash and cash equivalents, end of year	<u>\$ 13,446,757</u>	<u>\$ 315,688</u>	<u>\$ 13,762,445</u>	<u>\$ 454,662</u>

(Continued)

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
	<b>DEPARTMENT OF WASTEWATER OPERATIONS</b>	<b>CIVIC CENTER OPERATIONS</b>	<b>TOTAL</b>	
<b>Reconciliation to Statement of Net Position:</b>				
Cash	\$ 148,441	\$ 315,688	\$ 464,129	\$ 454,662
Restricted cash	13,298,316	-	13,298,316	-
Equity in pooled cash	-	-	-	-
Cash and cash equivalents, end of year	<u>\$ 13,446,757</u>	<u>\$ 315,688</u>	<u>\$ 13,762,445</u>	<u>\$ 454,662</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ (2,164,022)	\$ (1,872,866)	\$ (4,036,888)	\$ (559,528)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	2,983,281	1,278,207	4,261,488	-
Change in current assets and current liabilities:				
Decrease (increase) in receivables	(574,236)	(73,842)	(648,078)	-
Decrease (increase) in due from other funds	(1,619,857)	(2,000,000)	(3,619,857)	-
Decrease (increase) in prepaid expenses	-	(62,225)	(62,225)	-
Increase (decrease) in accounts payable	545,740	72,230	617,970	(188)
Increase (decrease) in retainage payable	221,474	(74,335)	147,139	-
Increase (decrease) in accrued liabilities	-	152	152	-
Increase (decrease) in estimated claims payable	-	-	-	(119,563)
Increase (decrease) in due to other funds	1,163,978	(59,457)	1,104,521	(54,520)
Increase (decrease) in deferred revenue	83,935	-	83,935	-
Increase (decrease) in deposits on future events	-	44,007	44,007	-
Total adjustments	<u>2,804,315</u>	<u>(875,263)</u>	<u>1,929,052</u>	<u>(174,271)</u>
Net cash provided by (used for) operating activities	<u>\$ 640,293</u>	<u>\$ (2,748,129)</u>	<u>\$ (2,107,836)</u>	<u>\$ (733,799)</u>
<b>Noncash investing, capital, and financing activities:</b>				
Contributions of capital	\$ 3,073,926	\$ -	\$ 3,073,926	\$ -
Acquisitions of property, plant and equipment through capital contributions	(3,073,926)	-	(3,073,926)	-
Gain on fair market value of investments	-	-	-	-
(Increase) in fair market value of investments	-	-	-	-
Net effect of noncash activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2014**

	<u><b>AIRPORT SALES TAX FUND</b></u>
<b>ASSETS</b>	
Receivables (net, where applicable, of allowance for uncollectibles)	
Intergovernmental	\$       374,117
Due from other funds	<u>                  2</u>
Total assets	<u><u>\$       374,119</u></u>
<b>LIABILITIES</b>	
Due to other governments	<u>\$       374,119</u>
Total liabilities	<u><u>\$       374,119</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

City of Kenner, Louisiana's (the "City") system of government is established by its Home Rule Charter which became effective in 1974. The City operates under a mayor-council form of government. The financial statements of City of Kenner, Louisiana have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**1. REPORTING ENTITY**

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City of Kenner has no component units.

The Police Chief is an elected official elected by the citizenry in a general, popular election. The City Council approves the annual budget for the Police Department and dedicates portions of the City's revenues to fund this department. The Police Department is not legally separate, and therefore is a function of the primary government and its operations are reported as a part of the City's General Fund.

**2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. Interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain *indirect costs* are included as part of the program expenses reported for individual functions and activities. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements (except agency funds which do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.



**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, franchise taxes, beer taxes, parking taxes and certain state shared revenues such as tobacco taxes, parish transportation funds, and video poker monies. Sales taxes collected and held by intermediary collecting governments at year-end on behalf of the City government also are recognized as revenue. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources and expenditures of the general government, except those required to be accounted for in another fund.

The *One Percent Sales Tax of 1984 Fund* accounts for the proceeds of sales taxes generated by a 1 percent sales tax increase. These funds are to be used to fund a municipal homestead exemption, police protection and various other city services.

The *General Debt Fund* accounts for the tax levy needed to comply with the interest and principal redemption requirements of bond indentures for the following excess revenue and sales tax bonds:

Sales Tax Bonds Series 1994  
Sales Tax Bonds Series 1995A  
LDEQ Taxable Sewer Revenue Bond, Series 2009  
Sales Tax Bonds Series 2013

The *General Capital Projects Fund* accounts for projects originally funded by the General Fund and the Department of Wastewater Operations Fund. Also included are projects funded by riverboat fees as well as Community Development Block Grants.

The *Capital Projects Funded with Bond Proceeds* accounts for projects funded by the 2013A Series Bond proceeds. Also included are projects funded by loans from the Louisiana Department of Environmental Quality (LDEQ) and the Louisiana Local Government Environmental Facilities.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)**

The City reports the following major proprietary funds:

The *Department of Wastewater Operations Fund* accounts for the sewer services provided to the residents of the City of Kenner.

The *Civic Center Operations Fund* accounts for the operations of the Pontchartrain Civic Center.

The City reports one fiduciary fund, which is an agency fund and it accounts for assets held by the City as an agent for other governmental entities.

The Airport Sales Tax Fund (agency fund) is used to account for the proceeds of sales taxes generated from a special 2% sales tax assessed within the Airport Taxing District, and to distribute to the appropriate taxing bodies. This fund is custodial in nature and does not involve measurement of results of operations. Accordingly, it presents a statement of fiduciary assets and liabilities and a statement of changes in assets and liabilities.

Additionally, the City reports the following fund types:

Internal service funds account for health insurance and self insurance (automobile, property damage, worker's compensation) provided to other departments or agencies of the City on a cost reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Department of Wastewater Operations Fund, Civic Center Operations Fund and of the City's internal service funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City reports uncollected revenue on its governmental fund balance sheet. Uncollected revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has legal claim to the resources, the liability for unearned revenue is removed from the governmental fund balance sheet and revenue is recognized.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. BUDGETARY ACCOUNTING**

Formal budgetary accounting is employed as a management control device and budgets are legally adopted at the fund level, except for the General Fund for which appropriations are adopted at the department level. Budgets are included as either required supplementary information or other supplementary information for the following funds:

General Fund

Special Revenue Funds

- One Percent Sales Tax of 1984
- Community Development Block Grant
- Garbage Collection and Disposal
- Street Lighting Fund
- Streets and Drainage
- Fire Protection

Debt Service Funds

- General Debt
- Ad Valorem Tax Bonds
- Firemen's Pension Merger Fund

Enterprise Funds

- Department of Wastewater Operations
- Civic Center Operations

Budgetary data for the Capital Project Funds are not presented since these funds are budgeted over the life of the respective project and not on an annual basis. Budgetary accounting is not used for the Internal Service Funds (Self Insurance and Health Insurance Funds) because management considers effective budgetary control achieved since their amounts, which are charged back to other funds, are included as expenditures in each Fund's budget.

Expenditures may not exceed budgeted appropriations at the fund level, except for the General Fund which is at the departmental level. Appropriations lapse at year-end.

Budgets for the General, Special Revenue, Debt Service Funds, and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase.

**5. CASH, INVESTMENTS AND POOLED ASSETS**

The City maintains three cash pools as follows:

- a. General Pool - maintains cash balances for all funds except the paving assessments and sewerage assessments funds.
- b. Paving Assessments Pool - maintains cash balances for the General Fund and Debt Service Fund.
- c. Sewerage Assessments Pool - maintains cash balances for the General Fund and Debt Service Fund.

The City follows the practice of pooling cash of all funds except for Internal Service Funds and restricted funds due to Trust Agreements and Bond Indenture Agreements. Total cash of the Pool is reported in all funds as "Equity in Pooled Cash". Funds with a negative Equity in Pooled Cash report the advance as an interfund payable and the General Fund, which has been determined to be the receivable fund by management, reports an offsetting interfund receivable. Interest earned on pooled cash is allocated to each individual fund based on its month end "Equity in Pooled Cash".

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**5. CASH, INVESTMENTS AND POOLED ASSETS (CONTINUED)**

The entire cash balances in the General Pool Cash account, the Capital Projects Funded with Bond Proceeds, the General Capital Projects Fund and the Enterprise Funds are invested in interest bearing bank accounts. Interest is allocated among funds in the General Pool Cash account on the basis of ending monthly cash balances. The balances not needed for transactions in the other accounts are deposited in individual money market funds earning interest at market rates; minimal checks can be written on these accounts.

For the purpose of the statement of net position, cash includes all demand and money market accounts of the City. For the purpose of the proprietary funds statement of cash flows, all highly liquid investments (including "equity in pooled cash") with maturity of three months or less when purchased are considered to be cash equivalents.

The City is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

State Law R.S. 33:2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. government; time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporations.

All investments are reported at fair value with gains and losses included in the statement of revenues, expenditures and changes in fund balance.

**6. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**7. INVENTORIES**

The inventory of materials and supplies acquired by the governmental funds is accounted for under the purchase method. The inventory of parts for vehicle maintenance is accounted for under the consumption method. All inventories are recorded in the General Fund at cost, determined by the first-in, first-out method.

**8. CAPITAL ASSETS**

Capital assets, which include land and land improvements, buildings, improvements other than buildings, vehicles, furniture, fixtures and equipment, and infrastructure assets (streets, roads, bridges, canals, and sewer and drainage systems), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major additions are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**8. CAPITAL ASSETS (CONTINUED)**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Depreciation on all capital assets, excluding land improvements and construction in progress, is calculated on the straight-line method over the following estimated useful lives:

<u><b>Asset Description</b></u>	<u><b>Asset Life</b></u>
Buildings and Building Improvements	40
Street system	20 to 40
Drainage system	25
Office Equipment	5 to 12
Machinery and Equipment	10
Vehicles	5
Bridges	40 to 80
Sewerage system	10 to 50

**9. INTANGIBLE ASSETS**

The City has a policy to capitalize any intangible assets which exceed \$50,000 in accordance with Governmental Accounting Standards Board Statement (GASBS) No. 51, "*Accounting and Financial Reporting for Intangible Assets*."

**10. COMPENSATED ABSENCES**

Vacation (annual leave) and sick pay (sick leave) are accrued when earned. Accumulated annual leave and vested sick leave as of the end of the fiscal year is valued using employees' current rates of pay and the liability for these compensated absences is recorded as long-term debt in the government-wide financial statements.

In the fund financial statements, the governmental funds report a liability for compensated absences for the amount that has matured as a result of employee resignations and retirements. In accordance with Statement No. 16 of the Governmental Accounting Standards Board, "*Accounting for Compensated Absences*", an additional liability is recorded for salary related payments associated with the future payment of compensated absences.

**11. LONG-TERM OBLIGATIONS**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond and loan premiums and discounts are deferred and amortized over the life of the bonds or loans using the effective interest method. Bonds and loans payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**12. FUND EQUITY**

In the government-wide financial statements, net position comprises the various net earnings from revenues and expenses. Net position is classified in the following components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net positions with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net positions that do not meet the definition of “restricted” or “net investment in capital assets”.

In the fund financial statements, fund balance is classified in the following components:

- Nonspendable fund balance—amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact.
- Restricted fund balance—amounts constrained for specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance—amounts constrained for specific purposes that are internally imposed by the City Council itself, using its highest level of decision-making authority through an ordinance. To be reported as committed, amounts cannot be used for any other purpose unless the City Council takes the same highest level action to remove or change the constraint.
- Assigned fund balance—amounts the City intends to use for a specific purpose that are neither considered restricted nor committed. Intent can be expressed by the City or by an official or body to which the City delegates the authority. Under the City’s policy, the Mayor and City Council may assign amounts for specific purposes and the City Council can approve.
- Unassigned fund balance—the residual amount of fund balance which does not fall into one of the other components. Positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assigned actions. The City does not have a formal minimum fund balance policy.

**13. INTERFUND SERVICES**

Interfund services are accounted for as revenues, expenditures or expenses. Interfund services that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund services are reported as transfers.

For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

14. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

15. ADOPTION OF NEW ACCOUNTING PRINCIPLES

During the year ended June 30, 2013, the City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which redefined the residual of all other elements presented in the statement of financial position from "Net Assets" to "Net Position". In addition, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* established standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognize, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

1. BUDGETARY PROCEDURES

The procedures used by the City in establishing the budgetary data reflected in the financial statements are as follows:

- a. On or before May 1 of each year, the Mayor recommends to the City Council proposed operating and capital budgets for the ensuing fiscal year. The budget is prepared by fund, department (for the General Fund), function, and object, and includes information on the past year, current year estimates, and requested appropriations for the ensuing fiscal year.
- b. The proposed budget is summarized and advertised and, by June 15, public hearings are conducted to obtain taxpayer comments.
- c. The operating budget is then legally adopted through council ordinance by June 15.
- d. The Mayor is authorized to transfer budgeted amounts within funds, except for the General Fund which is at the departmental level; however, any revisions that alter the total expenditures of a fund or department in the case of the General Fund must be approved by the City Council.

2. BUDGETARY COMPARISON

The budget data reflected in the Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual includes the effect of such appropriation amendments approved by the City Council during the current year. These amendments may reappropriate designated and/or reserved funds rolling forward from the previous year as well as amend the distributions of operating funds already appropriated.

Under GASB No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The City adopts annual operating budgets for the general fund and all special revenue funds. The major special revenue funds are One Percent Sales Tax of 1984 Fund and the Fire Protection Fund. Since accounting principles applied for the purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of the resulting basis and timing differences in the net change in fund balances for the year ended June 30, 2014 is presented as a note in required supplementary information.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE C - DEPOSITS AND INVESTMENTS**

Deposits

At June 30, 2014, the City of Kenner has cash (book balances) totaling \$52,147,418 as follows:

Governmental Funds:	
Petty cash	\$ 4,700
Demand deposits	19,236,383
Money market funds	30,245,163
Proprietary Funds:	
Enterprise Funds	
Petty cash	500
Demand deposits	1,940,849
Advance to manager	265,161
Internal Service Funds:	
Demand deposits	<u>454,662</u>
	<u>\$ 52,147,418</u>

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City's deposit policy for custodial credit risk conforms to state law, as described in Note A. At June 30, 2014, the City's demand deposits and money market funds bank balances of \$55,095,822 were entirely secured by federal deposit insurance and pledged securities held by the City's agent in the City's name. The City's trust accounts are secured by perfected liens on Regions Bank's securities in an amount not less than 105% of the total excess deposits.

Restricted cash

Certain assets of the Wastewater Fund, the Debt Service Funds, and the Capital Projects Funds are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants and they are maintained in separate bank accounts.

Investments

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment. The City is not exposed to custodial credit risk at June 30, 2014 since the investments are held in the name of the City. The City's investment policy conforms to state law, as described in Note A, which has no provision for custodial credit risk.

Concentration of credit risk relates to the amount of investments in any one entity. At June 30, 2014, the City had no investments in any one entity which exceeded 5% of total investments, except obligations of government-sponsored entities, which are implicitly guaranteed by the federal government.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2014, the City had the following investment in debt securities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater Than 10</u>
Obligations of Government-Sponsored Entities	<u>\$5,989,294</u>	<u>\$5,989,294</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The City invested only in obligations of federal agencies or federally sponsored entities in the amount of \$5,989,294, which are rated AAA. The type of investments allowed by state law ensures that the City is not exposed to credit risk.



**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE D - EQUITY IN POOLED CASH**

A reconciliation of total equity in pooled cash is presented below.

	General <u>Pool</u>	Paving Assessments <u>Pool</u>	Sewerage Assessments <u>Pool</u>	<u>Total</u>
<u>Equity in Pooled Cash</u>				
Cash	\$ <u>3,617,373</u>	\$ <u>282,489</u>	\$ <u>5,419</u>	\$ <u>3,905,281</u>
Total Equity in Pooled Cash	\$ <u><u>3,617,373</u></u>	\$ <u><u>282,489</u></u>	\$ <u><u>5,419</u></u>	\$ <u><u>3,905,281</u></u>
<u>Equity in Pool</u>				
General	\$ 226,285	\$ 266,094	\$ 5,419	\$ 497,798
Sales Tax Fund	-	-	-	-
General Debt	-	16,395	-	16,395
Internal Service Funds	-	-	-	-
Consolidated General Capital Projects	2,100,010	-	-	2,100,010
Nonmajor Governmental	<u>1,291,078</u>	<u>-</u>	<u>-</u>	<u>1,291,078</u>
Total Equity in Pool	\$ <u><u>3,617,373</u></u>	\$ <u><u>282,489</u></u>	\$ <u><u>5,419</u></u>	\$ <u><u>3,905,281</u></u>

Daily operations may occasionally result in minor deficiencies in individual allocations of pooled cash which are resolved by temporary interfund loans.

**NOTE E - ALLOWANCE FOR DOUBTFUL ACCOUNTS**

An allowance for estimated uncollectible receivables is established based on historical collection experience and other relevant circumstances. The allowance for estimated uncollectibles at June 30, 2014, consists of the following amounts:

General Fund	\$ <u>916,382</u>
Proprietary Funds:	
Department of Wastewater Operations	\$ <u>56,755</u>

**NOTE F - SALES TAX**

A sales tax of 8.75% for the period of July 1, 2013 through June 30, 2014 was collected on purchases in the City of Kenner (food and drugs are taxed at a 6% rate, and hotel/motel rooms at a 9% rate). Of the 8.75% total, 4.0% is levied by the state, and 4.75% by Jefferson Parish, for itself and other local government subdivisions within the Parish. The following table for parish taxes lists the effective year of each authorized tax rate, the Parish-wide tax rate (which includes  $\frac{1}{6}\%$  retained by the Parish), the rate collected for the benefit of the Jefferson Parish School Board, and the rate collected for the benefit of the City of Kenner.

Effective Date	Parish-Wide Rate	School Board Rate	City Rate
1954	1%	$\frac{1}{2}\%$	$\frac{1}{2}\%$
1966	1%	$\frac{1}{2}\%$	$\frac{1}{2}\%$
1980	$\frac{1}{2}\%$	$\frac{1}{2}\%$	-
1981	$\frac{1}{2}\%$	-	$\frac{1}{3}\%$
1984	1%	-	1
1993	$\frac{1}{2}\%$	$\frac{1}{2}\%$	-
1994	$\frac{1}{4}\%$	-	$\frac{1}{4}\%$
TOTAL	<u><u>4 <math>\frac{3}{4}\%</math></u></u>	<u><u>2%</u></u>	<u><u>2 <math>\frac{7}{12}\%</math></u></u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE F - SALES TAX (CONTINUED)**

The Jefferson Parish Sheriff's Office (a separate reporting entity) collects all parish taxes, except on motor vehicle sales, and retains 9.5 to 11 percent as a collection commission on the share going to local governments. The state collects parish taxes on motor vehicle sales and remits them back to the parish of registration.

The Sheriff prorates this motor vehicle tax back to the municipalities in proportion to the sales tax collected within each municipality. Taxes due on sales in a month must be remitted by the merchants to the Sheriff by the 20th of the following month. The Sheriff distributes these collections to the local governments approximately 30 days later.

**NOTE G - AD VALOREM TAX**

The ad valorem tax on real property is levied as of November 15th of each year. The tax becomes an enforceable lien on the property on the first day of the month following the filing of the tax rolls by the Assessor with the Louisiana Tax Commission (usually December 1st). The tax bills are mailed by the City in mid November and are due upon receipt. The taxes become delinquent on January 1st in the year after levy. The taxes are levied on property values determined by the Jefferson Parish Assessor's Office. All land and residential improvements are assessed at 10 percent of their fair market value and other property at 15 percent of its fair market value. Ad valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation, debt service and capital improvements for the City. The number of mills levied for 2013, which are collected and reported as revenue for the fiscal year ended June 30, 2014 is as follows:

<u>FUND</u>	<u>2013 MILLS</u>
General Fund	\$ 2.01
Garbage Collection and Disposal Fund	1.55
Fire Department Fund	7.15
Department of Wastewater Operations Fund	1.10
Capital Projects for Road Bonds Fund	<u>5.70</u>
Total	<u>\$ 17.51</u>

**NOTE H - CAPITAL ASSETS**

1. Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	<u>June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2014</u>
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land	\$ 9,674,378	\$ -	\$ -	\$ -	\$ 9,674,378
Construction-in-progress	<u>10,015,374</u>	<u>1,421,733</u>	<u>(873,700)</u>	<u>(4,801,976)</u>	<u>5,761,431</u>
Total capital assets not being depreciated	<u>19,689,752</u>	<u>1,421,733</u>	<u>(873,700)</u>	<u>(4,801,976)</u>	<u>15,435,809</u>
Capital assets being depreciated:					
Buildings and building improvements	56,627,998	-	-	7,195	56,635,193
Improvements other than buildings	7,971,130	-	-	1,146,977	9,118,107
Street system	277,080,812	-	-	2,557,224	279,638,036
Drainage system	370,742,532	-	-	1,090,580	371,833,112
Furniture, fixtures and equipment	18,510,010	483,157	-	-	18,993,167

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE H - CAPITAL ASSETS (CONTINUED)**

	<u>June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2014</u>
Vehicles	\$ 13,039,077	\$ 390,543	\$ -	\$ -	\$ 13,429,620
Bridges	<u>4,283,102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,283,102</u>
Total capital assets being depreciated	<u>748,254,661</u>	<u>873,700</u>	<u>-</u>	<u>4,801,976</u>	<u>753,930,337</u>
Less accumulated depreciation for:					
Buildings and building improvements	32,445,877	1,071,636	-	-	33,517,513
Improvements other than buildings	1,936,222	438,948	-	-	2,375,170
Street system	185,699,370	6,702,115	-	-	192,401,485
Drainage system	304,272,159	7,137,645	-	-	311,409,804
Furniture, fixtures and equipment	13,643,120	630,619	-	-	14,273,739
Vehicles	9,902,378	916,480	-	-	10,818,858
Bridges	<u>889,500</u>	<u>118,411</u>	<u>-</u>	<u>-</u>	<u>1,007,911</u>
Total accumulated depreciation	<u>548,788,626</u>	<u>17,015,854</u>	<u>-</u>	<u>-</u>	<u>565,804,480</u>
Total capital assets being depreciated, net	<u>199,466,035</u>	<u>(16,142,155)</u>	<u>-</u>	<u>4,801,976</u>	<u>188,125,857</u>
Governmental activities capital assets, net	<u>\$ 219,155,787</u>	<u>\$ (14,720,421)</u>	<u>\$(873,700)</u>	<u>\$ -</u>	<u>\$ 203,561,666</u>

**Business-Type Activities**

	<u>June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2014</u>
Capital assets not being depreciated:					
Land	\$ 3,798,726	\$ -	\$ -	\$ -	\$ 3,798,726
Capitalized interest	26,017	16,812	-	-	42,829
Construction in progress	<u>7,885,136</u>	<u>10,665,741</u>	<u>-</u>	<u>(6,050,832)</u>	<u>12,500,045</u>
Total capital assets not being depreciated	<u>11,709,879</u>	<u>10,682,553</u>	<u>-</u>	<u>(6,050,832)</u>	<u>16,341,600</u>
Capital assets being depreciated:					
Buildings and building improvements	114,745,464	-	-	6,050,832	120,796,296
Improvements other than buildings	1,754,533	-	-	-	1,754,533
Furniture, fixtures and equipment	18,166,650	-	-	-	18,166,650
Vehicles	<u>1,344,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,344,350</u>
Total capital assets being depreciated	<u>136,010,997</u>	<u>-</u>	<u>-</u>	<u>6,050,832</u>	<u>142,061,829</u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE H - CAPITAL ASSETS (CONTINUED)**

	<u>June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2014</u>
Less accumulated depreciation for:					
Buildings and building					
Improvements	\$ 57,650,023	\$ 3,863,947	\$ -	\$ -	\$ 61,513,970
Improvements					
other than buildings	1,574,034	38,534	-	-	1,612,568
Furniture, fixtures and					
equipment	12,880,069	352,547	-	-	13,232,616
Vehicles	<u>1,308,821</u>	<u>6,460</u>	<u>-</u>	<u>-</u>	<u>1,315,281</u>
 Total accumulated					
depreciation	<u>73,412,947</u>	<u>4,261,488</u>	<u>-</u>	<u>-</u>	<u>77,674,435</u>
Total capital assets being					
depreciated, net	<u>62,598,050</u>	<u>(4,261,488)</u>	<u>-</u>	<u>6,050,832</u>	<u>64,387,394</u>
 Business-type activities					
capital assets, net	<u>\$ 74,307,928</u>	<u>\$ 6,421,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,728,994</u>

2. Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 264,479
Public safety	1,365,241
Public works	14,279,307
Culture and recreation	1,104,065
Health and Welfare	<u>2,762</u>
 Total depreciation expense - governmental activities	<u>\$ 17,015,854</u>
 Business-type activities:	
Wastewater Operations	\$ 2,983,281
Civic Center Operations	<u>1,278,207</u>
 Total depreciation expense - business-type activities	<u>\$ 4,261,488</u>

3. Construction in progress for governmental activities is comprised of the following:

	<u>Project/Contract Authorization June 30, 2014</u>	<u>Expended to June 30, 2014</u>	<u>Committed</u>	<u>Required Future Financing</u>
General government	\$ 320,973	\$ 120,113	\$ 200,860	\$ 200,860
Public works	2,352,876	738,350	1,614,526	1,614,526
Public safety	--	366,777	--	--
Culture and recreation	<u>1,096,898</u>	<u>196,493</u>	<u>900,405</u>	<u>900,405</u>
Total	<u>\$ 3,770,747</u>	<u>\$ 1,421,733</u>	<u>\$ 2,715,791</u>	<u>\$ 2,715,791</u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE I - LONG-TERM DEBT**

**1. GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS**

Long-term debt at June 30, 2014 includes the following serial bonds and certificates:

	<u>Interest Rates</u>	<u>Final Maturity Date</u>	<u>Amount Authorized</u>	<u>Amount Incurred</u>	<u>Amount Outstanding</u>
Sales Tax Bond, Series 2003	3.2 – 5.0%	6/01/2018	\$35,895,000	\$ 35,895,000	\$ --
Sales Tax Bonds, Series 1994	2.45%	6/01/2016	11,427,803	11,427,803	1,460,000
Sales Tax Bonds, Series 1995A	2.45%	6/01/2016	\$1,462,875	1,462,875	175,000
Sales Tax Bonds, Series 2013A	2% -5%	6/1/2033	40,980,000	40,980,000	40,765,000
Sewer Revenue Bonds, Series 2011	3.0 – 5.0%	11/1/2036	16,000,000	16,000,000	15,565,000
2013 Refunding Kenner Road Bonds	1.25%	3/1/2018	9,205,000	9,205,000	7,380,000
LDEQ loan, Sewer Revenue Bonds, Series 2009	0.95%	11/1/2030	22,000,000	15,381,706	14,497,550
Firemen's Pension Merger Payable #1	7.00%	3/27/2029	1,190,000	1,190,000	872,439
Firemen's Pension Merger Payable #2	7.00%	3/27/2029	1,770,738	1,770,738	1,299,675
LQEQ loan, Sewer Revenue Bonds, Series 2012	0.95%	11/1/2034	21,000,000	<u>9,196,160</u>	<u>9,196,160</u>
Total Bonds				<u>\$ 142,509,282</u>	<u>\$ 91,210,824</u>

Additional information pertaining to the foregoing bonds and certificates is as follows:

**a. Sales Tax Bonds**

The Sales Tax Bonds, Series 2013A and the Sales Tax Bonds, Series 1994 and 1995A are all obligations of the City. These bonds are secured by and payable from the City's allocation of the proceeds of sales taxes collected pursuant to Louisiana Legislative Acts 188 of 1954 and 29 of 1966 collected and remitted by the Parish of Jefferson. At June 30, 2014, bonds outstanding were \$40,765,000, \$1,460,000 and \$175,000, respectively.

The amounts outstanding for the Sales Tax Bonds, Series 1994 and 1995A represent the unpaid amounts drawn down as of June 30, 2014 through loans obtained from the Louisiana Department of Environmental Quality. These loans are secured by the Sales Tax Bonds, Series 1994 and 1995A.

The City has developed a Wastewater Compliance Plan as a result of an EPA Administrative Order to perform those tasks necessary for its three wastewater treatment plants to comply with the effluent limitations of their discharge permits. In July 1994, the City obtained approval for a loan in the amount of \$11,430,000 from the Louisiana Department of Environmental Quality (LDEQ), of which \$11,427,803 was actually received. The loan will be repaid over a period of twenty years commencing with the completion of the project. Interest payments and an administrative fee is payable semi-annually at a rate of 2.45% and .50%, respectively, based on the total amounts drawn on the loan. At June 30, 2014, the loan had an outstanding balance of \$1,460,000. Total interest and administrative fees paid during the year ended June 30, 2014 were \$52,920 and \$10,800, respectively.

Due to the shortage of funding, in April 1995 the City obtained approval for a second Louisiana Department of Environmental Quality loan in the amount of \$3,395,000, of which \$1,462,875 was actually received. The loan will be repaid over a period of twenty years commencing with the completion of the project. The characteristics of this second loan are similar to those noted on the first loan above. At June 30, 2014, the loan had an outstanding balance of \$175,000. Total interest and administrative fees paid during the year ended June 30, 2014 were \$6,370 and \$1,300, respectively.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE I - LONG-TERM DEBT (CONTINUED)**

**1. GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS (CONTINUED)**

**a. Sales Tax Bonds (Continued)**

The funding necessary to service these loans was obtained from the dedication of the 1954 (1/2 cent) and 1966 (1/2 cent) sales tax revenues.

**b. Taxable Sewer Revenue Bonds**

Sewer Revenue Bonds, Series 2009, 2011 and 2012 were issued for the purpose of paying a portion of acquiring and constructing additions, extensions and improvements to the Sewer System.

**2. FIREMEN'S PENSION MERGER PAYABLE**

In March 1998, the required three-fourths vote of the active and inactive members approved the pension merger with the Firefighters Retirement System ("FRS"). Approval of the merger was received from the FRS and the Joint Retirement Committee. The City Council approved the merger in December 1998 and signed an agreement with FRS on March 25, 1999 regarding the payment of the merger liability. The final merger liability as of March 27, 1999 was \$14,050,233, which represents 60% of the accrued liability for active employees, \$6,301,446, and 100% of the accrued liability for retired employees, \$7,748,787. The Fund transferred assets in the amount of \$11,130,143 to the FRS to pay the merger liability. The value of the transferred assets for purposes of the merger as discounted from the date of receipt to the merger date of March 27, 1999, at the system's actuarial valuation interest rate of 7% was \$11,089,495. The remaining liability of \$2,960,738 plus interest at the rate of 7% per annum was assumed by the City of Kenner to be paid over 30 years.

The City has split the liability to be amortized into two components as follows:

\$1,190,000 of the liability is payable monthly at a rate of 7%. Interest expense during the year was \$62,323. At June 30, 2014, the merger payable for this component had a total outstanding balance of \$872,439.

\$1,770,738 of the liability is payable annually at a rate of 7%. Interest expense during the year was \$94,361. At June 30, 2014, the merger payable for this component had a total outstanding balance of \$1,299,675.

The funding necessary to service this merger payable is provided by the dedication of the fire insurance tax received from the State of Louisiana.

**3. KENNER ROAD PROJECT REFUNDING BONDS**

On June 1, 2013 the City issued \$9,205,000 of Series 2013 Kenner Road Project Refunding Bonds to advance refund \$8,725,000 of the outstanding Series 2003 Bonds which financed the construction, acquisition, and improvement of the streets in the City of Kenner. As of June 30, 2014, the outstanding balance of this loan was \$7,380,000. The 2003 bonds were redeemed in July 2013 at 102% of the principal amount plus accrued interest.

The reacquisition price in the advance refunding of the Series 2003 bonds by the Series 2013 bonds was \$313,203 more than the net carrying value of the bonds. This difference is reported in the Statement of Net Position of the accompanying financial statements as a deferred amount which increases bonds payable. The deferred amount is being amortized as a reduction of interest expense through fiscal year 2018 using the straight line method.

**4. SALES TAX REVENUE REFUNDING BONDS SERIES 2013**

On August 6, 2013 the City issued \$40,980,000 of Series 2013 Sales Tax and Refunding Bonds to a) construct, acquire and equip public improvements for the City, and b) currently refund the outstanding Series 2003 Bonds. As of June 30, 2014, the outstanding balance of this loan was \$40,765,000.

**CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE I - LONG-TERM DEBT (CONTINUED)**

The reacquisition price in the currently refunding of the Series 2003 bonds by the Series 2013 bonds was \$160,556 more than the net carrying value of the bonds. This difference is reported in the Statement of Net Position of the accompanying financial statements as a deferred amount which increases bonds payable. The deferred amount is being amortized as a reduction of interest expense through fiscal year 2033 using the straight line method.

**5. LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY LOAN**

In 2009, the City executed a loan agreement with the Louisiana Department of Environmental Quality (the "LDEQ") for the purpose of providing funding for the rehabilitation of the sewer system within the City. The LDEQ Taxable Sewer Bonds Series 2009 authorized a loan amount of \$22,000,000 with an interest rate of .95%. As of June 30, 2014, \$14,497,550 was outstanding. The City has drawn a total of \$15,381,706 through June 30, 2014. Total interest and administrative fees paid during the year ended June 30, 2014 were \$53,628 and \$55,513, respectively.

In 2012, the City executed another loan agreement with the Louisiana Department of Environmental Quality (the "LDEQ") for the purpose of providing funding for the rehabilitation of the sewer system within the City. The LDEQ Taxable Sewer Bonds Series 2012 authorized a loan amount of \$21,000,000 with an interest rate of .95%. As of June 30, 2014, \$9,196,160 was outstanding. The City has drawn a total of \$9,196,160 through June 30, 2014. Total interest and administrative fees paid during the year ended June 30, 2014 were \$8,742 and \$9,718, respectively.

Interest incurred was \$675,510 for business-type activities, and the amount capitalized was \$16,812.

**6. GENERAL DEBT**

Compensated Absences

General

All employees, except police and fire employees, earn sick leave at the following rates:

Full time employees:	1 day/month not to exceed 12 days/year
Regular part time employees:	$\frac{1}{2}$ day/month not to exceed 6 days/year

Employees earn annual leave in varying amounts according to years of service as follows:

<u>Service (years)</u>	<u>Amount</u>
Full time employees:	
0 - 5	1 day/month
5 - 10	1 $\frac{1}{2}$ day/month
over 10	2 days/month
Regular part time employees:	
0 - 5	$\frac{1}{2}$ day/month
5 - 10	$\frac{3}{4}$ day/month
over 10	1 day/month

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE I - LONG-TERM DEBT (CONTINUED)**

General (Continued)

Employees are required to use their annual leave during the calendar year following the year in which it is earned. Annual leave not used by December 31 of the calendar year is determined for each employee. Half of this leave is lost and half is carried forward to be paid upon separation of service or may be used in lieu of sick leave once sick leave has been exhausted. This carry forward time is not available to be taken as annual leave in future periods. Annual leave is payable upon separation of service. Sick leave is accumulated without time limitation and is payable up to a maximum of 90 days upon retirement or death.

In accordance with Statement No. 16 of the Governmental Accounting Standards Board, "*Accounting for Compensated Absences*", an additional liability is recorded for salary related payments associated with the future payment of compensated absences. Such salary related payments consist of the City's portion of Medicare tax expense.

Fire Department

Firefighters receive 18 days of annual leave after one year of service. After 10 years of service employees receive one additional day of annual leave for each additional year of service up to a maximum of 30 days per year. Vacation time not used by December 31 is lost.

Firefighters receive 90 days of sick leave when they join the Department. Any sick time taken is applied against this accumulation. At retirement, the employee is paid for any unused sick leave up to a maximum of 90 days. Firefighters receive 365 days of sick leave with medical determination.

Police Department

Police personnel earn annual leave in varying amounts according to years of service as follows:

<u>Years</u> <u>Service</u>	<u>Civil</u> <u>Service</u> <u>Amount</u>
0 - 1 Year	0 Days
1 - 10 Years	15 Days
10 - 20 Years	20 Days
Over 20 Years	25 Days

Non-civil service employees earn annual leave as previously detailed for general employees of the City.

These hours are accrued on January 1st and are for use only in the calendar year. Hours not taken by December 31st are lost. If an employee terminates employment, he or she is paid for the annual leave remaining on the books.

Police personnel earn sick leave at the following rates:

Full time employees:	8 hours/month not to exceed 12 days (96 hours)/year
Regular part time employees:	$\frac{1}{2}$ day (4 hours)/month not to exceed 6 days (48 hours)/year

Upon retirement, employees are entitled to receive pay for accrued, unused sick leave days up to a maximum of 90 days.

The General Fund, CDBG Fund, Streets and Drainage Fund, Street Lighting Fund, and Fire Protection Fund have typically been used in prior years to liquidate the liability for compensated absences.



**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE I - LONG-TERM DEBT (CONTINUED)**

**7. CHANGES IN LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2014:

	Balance <u>6/30/2013</u>	Issue or <u>Additions</u>	Payments or <u>Expenditures</u>	Discount/ <u>(Premium)</u>	Balance <u>6/30/2014</u>	Net of Unamortized Premium <u>6/30/2014</u>	Due Within <u>One Year</u>
Governmental Activities							
Sales Tax							
Revenue Bonds	\$ 16,664,003	\$ 43,156,726	\$ 16,040,000	\$ (281,839)	\$ 43,498,890	\$ 42,400,000	\$ 2,315,000
Note Payable	2,253,133	-	81,019	-	2,172,114	2,172,114	86,765
Refunding Kenner							
Road Project Bonds,							
Series 2013	9,205,000	-	1,825,000	-	7,380,000	7,380,000	1,810,000
LDEQ loan, Sewer Revenue							
Bonds, Series 2009	12,848,468	2,272,081	623,000	-	14,497,549	14,497,549	1,044,000
Compensated							
Absences	4,855,837	1,304,805	1,522,275	-	4,638,367	4,638,367	2,444,939
Total					-		
Governmental Activities	<u>\$ 45,826,441</u>	<u>\$ 46,733,612</u>	<u>\$ 20,091,294</u>	<u>\$ (281,839)</u>	<u>\$ 72,186,920</u>	<u>\$ 71,088,030</u>	<u>\$ 7,700,704</u>
Business-Type Activities							
Sewer Revenue					-		
Bonds 2011	\$ 16,000,000	\$ -	\$ 435,000	\$ -	\$ 15,565,000	\$ 15,565,000	450,000
LDEQ loan, Sewer							
Revenue Bonds 2012	2,066,426	7,129,737	-	-	9,196,163	9,196,160	-
Total							
Business-Type Activities	<u>\$ 18,066,426</u>	<u>\$ 7,129,737</u>	<u>\$ 435,000</u>	<u>\$ -</u>	<u>\$ 24,761,163</u>	<u>\$ 24,761,160</u>	<u>\$ 450,000</u>

The annual requirements to maturity for sales tax bonds as of June 30, 2014 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 2,315,000	\$ 1,734,552
2016	2,385,000	1,665,504
2017	1,605,000	1,594,369
2018	1,650,000	1,546,219
2019	1,700,000	1,496,719
2020-2024	9,665,000	6,325,419
2025-2029	11,730,000	4,259,306
2030-2033	<u>11,350,000</u>	<u>1,435,719</u>
	42,400,000	\$ <u>20,057,807</u>
Plus Bond Premium	<u>1,098,890</u>	
Net Debt Service Requirement	<u>\$ 43,498,890</u>	

The annual requirements to maturity for the Firemen's Pension Merger Payable as of June 30, 2014 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 86,764	\$ 150,938
2016	92,919	144,784
2017	99,509	138,194
2018	106,567	131,136
2019	114,125	123,577
2020-2024	704,166	484,347
2025-2029	<u>968,064</u>	<u>196,697</u>
Debt Service Requirement	<u>\$ 2,172,114</u>	<u>\$ 1,369,673</u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE I - LONG-TERM DEBT (CONTINUED)**

The annual requirements to maturity for the LCDA Series 2013 Loan as of June 30, 2014 are as follows:

Year Ending June 30,	Principal	Interest
2015	\$ 1,810,000	\$ 92,250
2016	1,835,000	69,625
2017	1,855,000	46,688
2018	<u>1,880,000</u>	<u>23,500</u>
Debt Service Requirement	<u>\$ 7,380,000</u>	<u>\$ 232,063</u>

The annual requirements to maturity for the LDEQ Taxable Sewer Bond Series 2009 as of June 30, 2014 are as follows:

Year Ending June 30,	Principal	Interest
2015	\$ 1,044,000	\$ 59,927
2016	1,052,000	56,253
2017	1,061,000	51,498
2018	1,069,000	46,706
2019	1,077,000	41,877
2020-2025	<u>9,194,549</u>	<u>156,887</u>
Debt Service Requirement	<u>\$ 14,497,549</u>	<u>\$ 455,025</u>

The annual requirements to maturity for the Sewer Revenue Bonds Series 2011 as of June 30, 2014 are as follows:

Year Ending June 30,	Principal	Interest
2015	\$ 450,000	\$ 641,600
2016	465,000	627,875
2017	475,000	613,775
2018	490,000	599,300
2019	505,000	584,375
2020-2024	2,770,000	2,672,981
2025-2029	3,305,000	2,114,006
2030-2034	4,115,000	1,279,031
2035-2037	<u>2,990,000</u>	<u>229,000</u>
Debt Service Requirement	<u>15,565,000</u>	<u>\$ 9,361,943</u>

The annual requirements to maturity for the LDEQ Taxable Sewer Bond Series 2012 as of June 30, 2014 are as follows:

Year Ending June 30,	Principal	Interest
2015	\$ -	\$ 31,426
2016	958,000	31,026
2017	967,000	26,694
2018	977,000	22,320
2019	986,000	17,904
2020-2024	5,072,000	25,735
2025	<u>236,160</u>	<u>-</u>
Debt Service Requirement	<u>\$ 9,196,160</u>	<u>\$ 155,105</u>

The loan has not been fully disbursed as of June 30, 2014. The annual future payments will change once all of the loan proceeds have been received.

**CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE I - LONG-TERM DEBT (CONTINUED)**

**7. COMPLIANCE**

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

**NOTE J - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

A summary of interfund transfers at June 30, 2014 are as follows:

	Transfer in:						
	General Fund	General Debt	General Capital Projects	Nonmajor Governmental	Department of Wastewater Operations	Civic Center Operations	Total
Transfer Out:							
General Fund	\$ -	\$ 120,000.0	\$ 3,880,282.0	\$ 2,432,996	\$ 134,085	\$ -	\$ 6,567,363
One Percent Sales Tax of 1984 Fund	8,274,945	-	-	3,090,846	-	-	11,365,791
General Capital Projects	951,379	768,820	-	-	-	2,000,000	3,720,199
Capital Projects Funded with Bonds Proceeds	-	4,402	-	-	-	-	4,402
Total	<u>\$ 9,226,324</u>	<u>\$ 893,222</u>	<u>\$ 3,880,282</u>	<u>\$ 5,523,842</u>	<u>\$ 134,085</u>	<u>\$ 2,000,000</u>	<u>\$ 21,657,755</u>

Transfers are primarily used to move funds from:

General Fund - to the General Debt fund to cover the reserve requirements on the 2009 LDEQ loan, to the General Capital projects for the gaming revenues dedicated for capital projects, to the Nonmajor Governmental funds which consist of Garbage Collection and Disposal fund and Fire Protection fund because dedicated revenues are not sufficient to cover expenditures and Community Development fund to cover the expenditures of the City's Resource centers, Food Bank and the portion of Community Development's administrative expenditures not covered by the CDBG grant, to the Wastewater to cover sewer service charges which came under budget.

One Percent Sales tax of 1984 Fund – to the General, Garbage Collection & Disposal, and Fire Protection funds to reimburse losses from homestead exemption, to pay expenditures for the Streets and Drainage and Street Lighting Funds and the remaining funds are transferred to the General Fund.

General Capital Projects – to the General Debt Fund the 25% of riverboat revenues dedicated to debt service, to the General Fund for capital funds rededicated to operations to balance the General Fund budget, to the Civic Center Operations fund for insurance proceeds used to repair the Civic Center from hurricane Katrina damages.

Capital Projects Funded with Bonds Proceeds – to the General Debt fund to transfer unused bond cost of issuance funds.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE J - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)**

The composition of interfund balances as of June 30, 2014, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	One Percent Sales Tax of 1984 Fund	\$ 1,189,641
	General Capital Projects	522,682
	Capital Projects Funded with Bond Proceeds	1,706,303
	General Debt Funds	280,221
	Nonmajor Governmental Funds	551,975
	Department of Wastewater Operations	5,879,355
	Internal Service Funds	366,194
	Civic Center Operations	1,651,150
One Percent Sales Tax of 1984 Fund	Nonmajor Governmental Funds	4,714
General Capital Projects	General Fund	6,004,521
	Fire Protection	90,949
	Capital Projects	-
Capital Projects Funded with Bond Proceeds	General Fund	852,793
	Capital Projects	7,772
Department of Wastewater operations	General Fund	1,584,249
	Property Tax	88,953
	Capital Projects	206,483
Civic Center operations	General Capital Projects	2,000,000
Nonmajor Governmental Funds	General Fund	148,247
	One Percent Sales Tax Fund	884,047
	Capital Projects Fund	-
		<u>\$ 24,020,249</u>

The above due to/from other funds were short-term receivables or payables in the normal course of the City's operations.

**NOTE K - TREASURE CHEST RIVERBOAT CASINO AGREEMENT**

The City of Kenner and Treasure Chest Casino, L.L.C. entered into a lease of property in Laketown, Kenner on December 3, 1993 for Treasure Chest Casino, L.L.C.'s riverboat gaming operations. The term of the lease is divided into three phases, an Initial Term, a Primary Term, and at the Lessee's option, one or more Renewal Terms. The "Initial Term" of the lease began on the date of execution and continued until July 1, 1994. The "Primary Term" of the lease was for five years beginning on July 1, 1994, and the Lessee has the option to extend the term of this lease for six additional Renewal Terms of five years each. Lease payments to the City include a minimum annual rent ("Base Rent") determined by multiplying the actual number of passengers during the first three quarters of the prior fiscal year by \$2.50. In addition to the Base Rent, the Lessee shall pay to the City an amount equal to \$2.50 for each passenger in excess of the number of passengers used to determine the Base Rent for that particular year ("Per Capita Rent"). In addition to the Base Rent and Per Capita Rent, the Lessee pays the City the "Percentage Rent" in an amount equal to the greater of 1% of its net gaming proceeds and any admission fees in excess of \$10.00 per passenger or the "minimum percentage rent". The Minimum Percentage Rent equals the Percentage Rent for the first three quarters of the preceding base fiscal year. Such Percentage Rent shall be used to subsidize City projects such as City Recreational Facilities, City Playgrounds, Tourism Advertisement and Brochures, Convention Center/Hotel Shuttle, Trolley Transportation, City Museums, Alzheimer's Center Operations, City Sponsored Summer Camps, and City Senior Citizens Activities. Any funds remaining shall be dedicated to City capital projects.

The Kenner Police Department is entitled to 24% of all lease revenues received by the City. Additionally, the lessee agrees to pay to the Kenner Police Department the greater of \$400,000 or 1% of net gaming proceeds.

In September 1994, the riverboat casino began operations.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE L - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To account for and finance its uninsured risks of loss, the City has established a Self-Insurance Fund (an internal service fund). Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$500,000 for each general liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$5,000,000; \$500,000 for each auto liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$5,000,000; \$500,000 for each worker's compensation claim, excluding police and fire, with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000; and \$500,000 for each police and fire workers compensation claim in with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000. The City purchases commercial insurance for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Also, the Fund provides coverage for auto/physical damage which requires a \$1,000 deductible per department per occurrence. The remaining balance on the claim is paid by the Fund.

All funds of the City with employees, except for the Department of Wastewater Operations and the Civic Center Operations Funds, participate in the program and make payments to the fund based on an actuarial valuation dated November 2003 adjusted by the actual performance of the programs using historical experience. The claims liability of \$5,214,588 (which includes claims incurred but not reported in the Fund at June 30, 2014) is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities during fiscal years 2012, 2013 and 2014 were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2011 – 2012	\$5,008,769	\$ 964,077	\$ (1,145,744)	\$4,827,102
2012 – 2013	4,827,102	869,645	(989,208)	4,707,539
2013 – 2014	4,707,539	1,527,930	(1,020,881)	5,214,588

The amount of estimated claims payable due within one year of these financial statements is \$2,269,603.

**HEALTH INSURANCE**

The City provides health and accident insurance to its employees through health maintenance organizations (HMO's) and commercial insurance carriers. The City has no additional liability other than the initial premiums.

**NOTE M - COMMITMENTS AND CONTINGENCIES**

**LITIGATION**

The City is a defendant in a number of claims and lawsuits resulting principally from personal injury and property damage. The City Attorney and outside counsel have reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. As a result of such review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", and "remote" contingencies as defined in GASB Codification C50. The City's "reasonably possible" loss contingencies have been estimated to be immaterial and have not been accrued in these financial statements. All material probable claims have been accrued as liabilities in the City's Self-Insurance Fund (see Note N for additional details) and General Fund.

**FEDERALLY ASSISTED PROGRAMS**

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. The programs are audited in accordance with the Single Audit Act of 1984 and 1996 Amendments and also subject to further examination by the grantor agency. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE M - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**EPA ADMINISTRATIVE ORDER**

On November 10, 1990, the United States Environmental Protection Agency (EPA) issued the City an Administrative Order for sewerage effluent violations. Failure to comply with an EPA Administrative Order could result in monetary fines or an EPA administrative penalty. As a result, the city initiated a \$15 million sewer rehabilitation project. See Note I for additional information regarding the financing of the 1990 sewer rehabilitation project.

On August 24, 2009, the Louisiana Department of Environmental Quality (LDEQ) issued the City a Consolidated Compliance Order & Notice of Potential Penalty for sewerage overflow violations which resulted in raw sewerage being discharged into waters of the State. As with the 1990 EPA Administrative Order discussed above, failure to comply with the provisions of the Order could subject the City to substantial administrative penalties or monetary fines.

**EPA CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY**

The LDEQ Compliance Order mandates that the City take all steps necessary to achieve compliance with Water Quality Regulations including but not limited to avoiding overflows and complying with all effluent limitations by properly operating and maintaining the facility. Failure or refusal to comply could subject the City to civil penalties of \$50,000 for each day of continued violation or noncompliance.

Major renovations must be made to the City's sewer treatment and collection system to remedy the problems causing the LDEQ and EPA violations. The required renovations include the replacement or upgrading of lift stations, expansion and upgrading of the City's wastewater treatment plant capacity, repair and replacement of gravity sewer lines, and procuring generators to service the sewer system during emergencies.

The City's engineers estimate that the total costs of the required renovations will be \$65 million. On December 10, 2009, the City entered into an agreement for a \$22 million construction loan at .95% interest from the Clean Water State Revolving Fund Loan Program to partially fund the necessary upgrades and improvements. Approximately \$14 million of the loan has been disbursed to the City for its expenditures on surveys, preliminary design and project management and construction costs. Additional funding of approximately \$4 million is available through an LRA grant and approximately \$2 million of existing Capital Projects funds have been budgeted for this project. In November of 2011 the City issued \$16 million in bonds and in November of 2012 the City entered into an additional loan of \$21 million at .95% interest from the Clean Water State Revolving Fund Loan Program to fund the rest of the required renovations. See Note I for additional information regarding the financing of the 2009 sewer rehabilitation project.

**FIREFIGHTER PENSION CLAIM**

Plaintiffs claim that the City erred by not making firefighter retirement contributions on acting pay, holiday pay, overtime pay, and educational incentive pay. Plaintiffs moved for declaratory judgment on this claim but the judge ruled in favor of the City. Plaintiffs will appeal and the outcome of an appeal is uncertain. The City has accrued \$590,162 in the General Fund for this claim.

**AGREEMENT FOR OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES OF THE KENNER WASTEWATER COLLECTION AND TREATMENT SYSTEMS**

In July 1995, the City entered into an agreement with Veolia Water North America Operating Services, LLC, (formerly Professional Services Group, Inc. (PSG) and US Filter Operating Services, Inc.) for the management, operation and maintenance of the Wastewater Collection and Treatment Systems. PSG offered employment to all personnel of Kenner who were currently assigned full-time to the Wastewater Department. In July 1999, the agreement was amended and restated. In accordance with the agreement dated July 1999, compensation from the City of Kenner consists of an annual fee, \$2,744,264, funding the Kenner Budget Pass-Through Fund, \$817,567, and payment of electrical invoices. The term of this agreement is for 20 years commencing on July 1, 1995 with the option for four, five-year renewal periods. The annual fee and Kenner Budget Pass-Through Fund will be adjusted annually either by negotiation or in accordance with the CPI Adjustment Formula as stipulated in the agreement.

**CONSTRUCTION**

Construction commitments are discussed in Note H.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE M - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**LEASE COMMITMENTS - GENERAL**

Leases are accounted for in accordance with GASB Codification Section L20-Leases, which requires classification of leases as capital or operating leases. Governmental fund assets under capital leases are recorded in the government-wide financial statements. As of June 30, 2014, the City has no capital leases.

Operating Leases

The City is committed under various leases for buildings and office equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2014 amounted to \$218,360. Future minimum lease payments for these leases are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Amounts</u>
2015	\$ 113,184
2016	101,952
2017	44,952
2018	44,952
2019	44,952
Thereafter	<u>7,492</u>
Total minimum lease payments	<u>\$ 357,484</u>

**NOTE N - DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The funds are held in a trust for the exclusive benefit of participants and their beneficiaries. The City did not make any contributions to the plan during the year ended June 30, 2014.

**NOTE O - POSTEMPLOYMENT BENEFITS**

**PLAN DESCRIPTION**

The City provides postemployment health care benefits to all retirees with 20 years or more of service, and life insurance benefits to eligible retirees. The City established a Group Insurance Plan, providing for payment of a portion of health care insurance premiums and life insurance premiums for eligible retired employees. The Group Insurance Plan is a single-employer defined benefit health care plan administered by the City which provides medical and life insurance to eligible retirees and their beneficiaries. The City Council has the authority to establish and amend plan benefit provisions. OPEB benefits are administered by City personnel. No separate financial statements are issued. At June 30, 2014, 174 retirees were receiving postemployment benefits.

**CONTRIBUTION RATES**

Employees do not contribute to their postemployment benefits costs until they become retirees and begin receiving those benefits. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. The City offers a single health plan for active and retired under age 65 employees through United Healthcare. Retired Employees eligible for Medicare coverage are excluded from the United Healthcare Plan and may choose to be covered by one of the two Medicare Supplement Plans offered by People's Health and Humana. The monthly premium is \$0 for employees not eligible for Medicare, and \$114 and \$174 for Medicare Supplement Plans with People's Health and Humana respectively. The City's portion is \$477 per month for retiree-only coverage without Medicare and \$100 per month for the City's portion of retiree-only coverage with Medicare.

The City pays the blended rate for the retiree portion of the coverage (not dependents) for retirees until Medicare eligibility. After Medicare eligibility, the City pays the first \$100 per month of the retiree portion of the premium for those employees who elect coverage under one of the Medicare Supplement Plans. For employees who were employed before February 1, 2000, the City pays \$82 of the dependent coverage for active employees and retirees before age 65.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE O - POSTEMPLOYMENT BENEFITS (CONTINUED)**

CONTRIBUTION RATES

The city also provides eligible retirees Basic Term Life which is underwritten by Metropolitan Life Insurance Company. The blended rate for active employees and retirees is \$0.278 per \$1,000 of insurance.

The amount of life insurance is reduced by 35% of the original amount at age 70 and by 50% of the original amount at age 75.

ANNUAL OPEB COST

The City of Kenner's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities. A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 45) has been used for the postemployment benefits. The total ARC for the fiscal year beginning July 1, 2013 was \$978,691 for medical, as set forth below:

Normal Cost	\$ 273,165
UAL amortized amount	705,526
Interest	-
Annual required contribution (ARC)	<u>\$ 978,691</u>

The table below shows the City of Kenner's Net Other Postemployment Benefit (OPEB) Obligation for fiscal year ended June 30, 2014:

Annual required contribution	\$ 978,691
Interest on net OPEB obligation	201,235
ARC adjustment	<u>(290,936)</u>
OPEB cost	888,990
Contributions made (retiree premiums paid in 2014)	<u>(795,663)</u>
Increase in net OPEB obligation	93,327
Beginning net OPEB obligation at July 1, 2013	<u>5,030,868</u>
Ending net OPEB obligation at June 30, 2014	<u>\$ 5,124,195</u>

The following table shows the City of Kenner's annual OPEB cost, percentage of the cost contributed, and the net unfunded OPEB liability:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Cost Contributed</u>	<u>Annual OPEB Net OPEB Obligation</u>
June 30, 2012	\$ 1,222,572	38.57%	\$ 4,924,569
June 30, 2013	890,886	88.07%	5,030,868
June 30, 2014	888,990	89.51%	5,124,195



**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE O - POSTEMPLOYMENT BENEFITS (CONTINUED)**

**FUNDED STATUS AND FUNDING PROGRESS**

During the fiscal year ended June 30, 2014, the City of Kenner made no contributions to its other postemployment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of June 30, 2014, the most recent actuarial valuation (adjusted for interest), the Actuarial Accrued Liability (AAL) was \$12,687,985, which is defined as that portion, as determined by a particular actuarial cost method (the City of Kenner uses the Projected Unit Credit Cost Method), of the actuarial present value of other postemployment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded during fiscal year 2014, the entire actuarial accrued liability of \$12,687,985 was unfunded.

Actuarial accrued liability (AAL)	\$ 12,687,985
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$12,687,985</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered Payroll (annual payroll of active plan members)	\$ 25,874,212
UAAL as a percentage of covered payroll	49.04%

**ACTUARIAL METHODS AND ASSUMPTIONS**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial valuation for postemployment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City of Kenner and its employee plan members) at the time of the valuation and on the historical pattern of sharing costs between the City of Kenner and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City of Kenner and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

**ACTUARIAL COST METHOD**

The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

**TURNOVER RATE**

An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
20 - 25	20.0%
26 - 40	12.0%
41 - 50	8.0%
51+	6.0%

In addition, based on past experience it was assumed that 16% of retirees decline health coverage at retirement.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE O - POSTEMPLOYMENT BENEFITS (CONTINUED)**

**INVESTMENT RETURN ASSUMPTION (DISCOUNT RATE)**

The investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

**HEALTH CARE COST INFLATION RATE**

This assumption is used in determining how much postemployment benefits will cost each year and how rapidly the cost will grow when an employee starts receiving postemployment benefits. The health care cost trend was 8% initially and decreases to an ultimate rate of 4.34%. Both the investment return rate and the health care cost trend rate included a 3.0% inflation assumption.

**MORTALITY RATE**

This assumption is used in determining how long a retiree is likely to receive the benefits. The RP2000 Combined Health Table with a 70/30 male/female blend was used.

**NOTE P - PENSION PLANS**

**GENERAL**

The City reporting entity participates in three defined benefit pension plans. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans, as follows:

Substantially all of the City's full-time, permanent employees, other than classified employees in the Kenner Fire Department and Kenner Police Department are participants in the Municipal Employees' Retirement System, State of Louisiana (the Municipal Plan), a cost-sharing, multiple-employer defined benefit public employee retirement system.

All full-time classified employees of the Police Department of the City are participants in the Municipal Police Employees' Retirement System (the Police Plan), a cost-sharing, multiple-employer defined benefit plan.

All full-time classified employees of the Fire Department of the City are participants in the Firefighters' Retirement System ("FRS"), a cost-sharing, multiple-employer defined benefit plan.

**PLAN DESCRIPTIONS**

**Municipal Employees' Retirement System, State of Louisiana (The Municipal Plan)**

Employees of the City participate in Plan A of the Municipal Plan, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 356 of the 1954 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes 11:1731 through 11:1866, specifically, and other general laws of the State of Louisiana. Under the Municipal Plan, employees with 10 years of service may retire at age 60 and employees with 25 years of service may retire regardless of age. In addition, employees may also retire with 20 years of service regardless of age; however, the benefits payable to such employees must be actuarially reduced. The monthly amount of the retirement allowance is equal to 3 percent of the member's final compensation multiplied by his years of creditable service. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death, under certain conditions, are payable to the surviving spouse.

The Municipal Plan retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2014. The Municipal Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE P - PENSION PLANS (CONTINUED)**

PLAN DESCRIPTIONS (Continued)

Municipal Employees' Retirement System, State of Louisiana (The Municipal Plan) (Continued)

Plan members are required to contribute 9.50% of their earnable compensation, and the City is required to contribute at an actuarially determined rate. The current rate is 18.75% of earnable compensation. At July 1, 2014, the employer's contribution rate increased to 19.75%, and the employee rate remained at 9.50%.

Municipal Police Employees' Retirement System, State of Louisiana (The Police Plan)

Members of the Police Plan are eligible for normal retirement after they have been a member of the plan, if they have 25 years of service at any age or they have 20 years service and are age 50 or have 12 years service and are age 55. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211 - 11:2233. The monthly retirement benefit is equal to  $3\frac{1}{3}$  percent of the member's average monthly earnings during the highest consecutive 36 months, multiplied by years of creditable service, not to exceed 100 percent of final salary. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain conditions, are payable to the surviving spouse and minor children. The Police Plan retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2014. The Municipal Police Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Municipal Police Employees' Retirement System of Louisiana, P.O. Box 94095, Capital Station, Baton Rouge, Louisiana 70809.

Plan members are required to contribute 10.0% of their annual-covered salary, and the City is required to contribute at an actuarially determined rate. The current rate is 31.0% of covered payroll. At July 1, 2014, the employer's contribution rate increased to 31.5%, and the employee rate remained at 10.0%.

The Firefighters' Retirement System (FRS)

Under FRS, employees with 20 or more years of service who have attained age 50 or employees who have 12 years of service who have attained age 55 or 25 years of service at any age are entitled to annual pension benefits equal to  $3\frac{1}{3}$ % of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain circumstances, are payable to the surviving spouse and minor children. Act 434 of the 1979 Louisiana Legislative Session established the Plan. The System is governed by Louisiana Revised Statutes 11:2251 through 11:2269, specifically, and other general laws of the State of Louisiana.

The Firefighters' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. It may be obtained from the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809.

Plan members are required to contribute 10.0% of their earnable compensation, and the City is required to contribute at an actuarially determined rate. The current rate is 28.25% of annual-covered payroll. Effective July 1, 2014, the employer's contribution rate increased to 29.25%.

COVERED PAYROLL

The covered payrolls for each of the plans for the year ended June 30, 2014 were as follows:

	<u>Covered payroll</u>
Municipal Plan	\$ 11,699,489
Police Plan	8,058,896
Firefighters Retirement System	4,207,688

CURRENT MEMBERSHIP

Total membership data for the Municipal Plan, Police Plan and Firefighters' Retirement System is available in the separately issued reports, but is not available by individual employer.

Member and employer contributions are established by state statute for all plans.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE P - PENSION PLANS (CONTINUED)**

**CONTRIBUTIONS REQUIRED AND MADE**

Contributions required and made for the Municipal Plan, a cost-sharing multiple-employer plan were as follows:

Fiscal Year Ended <u>June 30,</u>	Required <u>Contribution</u>	% <u>Contributed</u>
2012	\$ 1,898,680	100%
2013	1,976,108	100%
2014	2,193,659	100%

Contributions required and made for the Police Plan, a cost-sharing multiple-employer plan were as follows:

Fiscal Year Ended <u>June 30,</u>	Required <u>Contribution</u>	% <u>Contributed</u>
2012	\$ 2,097,124	100%
2013	2,487,715	100%
2014	2,498,256	100%

Contributions required and made for the Firefighters' Retirement System, a cost-sharing multiple-employer plan were as follows:

Fiscal Year Ended <u>June 30,</u>	Required <u>Contribution</u>	% <u>Contributed</u>
2012	\$ 973,314	100%
2013	993,769	100%
2014	1,188,672	100%

**NOTE Q – DEFICIT FUND BALANCES/ NET POSITION**

At June 30, 2014, the Self-Insurance Fund had a deficit in its net position of \$(5,142,963). This deficit will be eliminated by the City making additional contributions into the fund during future years.

At June 30, 2014, the Wastewater Fund had a deficit in its unrestricted net position of \$(1,204,173). This deficit is expected to be reduce by future operations from an increase in the sewer service charge over the next several years which was approved by the Council in November 2010.

## **REQUIRED SUPPLEMENTARY INFORMATION - PART II**

Budgets for the General, Special Revenue, Debt Service Funds, and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2014**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes	\$ 24,797,803	\$ -	\$ 24,797,803	\$ 24,608,396	\$ 24,608,396	\$ 189,407
Licenses and permits	3,191,259	-	3,191,259	3,414,831	3,414,831	(223,572)
Intergovernmental	2,059,740	(215,990)	1,843,750	1,511,238	1,582,230	261,520
Charges for services	1,466,541	(553,383)	913,158	943,446	943,446	(30,288)
Fines and forfeitures	2,187,652	-	2,187,652	2,288,200	2,288,200	(100,548)
Interest on invested funds	5,934	-	5,934	17,950	17,950	(12,016)
Miscellaneous	450,563	(415)	450,148	317,120	317,120	133,028
Total revenues	34,159,492	(769,788)	33,389,704	33,101,181	33,172,173	217,531
<b>EXPENDITURES</b>						
General government	10,982,307	(1,085,029)	9,897,278	9,921,226	9,921,226	23,948
Public safety	19,004,377	(293,887)	18,710,490	18,675,528	18,676,143	(34,347)
Public works	2,769,272	72,566	2,841,838	2,840,229	2,840,229	(1,609)
Health and welfare	398,856	-	398,856	405,639	397,000	(1,856)
Culture and recreation	4,375,725	(16,732)	4,358,993	4,330,942	4,342,966	(16,027)
Transit and urban development	386,175	-	386,175	350,117	421,109	34,934
Total expenditures	37,916,712	(1,323,082)	36,593,630	36,523,681	36,598,673	5,043
Excess (deficiency) of revenues over (under) expenditures	(3,757,220)	553,294	(3,203,926)	(3,422,500)	(3,426,500)	222,574
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	9,226,324	-	9,226,324	9,021,818	9,021,821	204,503
Operating transfers out	(6,567,363)	-	(6,567,363)	(6,419,982)	(6,419,982)	(147,381)
Total other financing sources (uses)	2,658,961	-	2,658,961	2,601,836	2,601,839	57,122
Net change in fund balance	(1,098,259)	553,294	(544,965)	(820,664)	(824,661)	279,696
Fund balance - beginning of year	12,121,965	-	12,121,965	12,121,965	12,121,965	-
Fund balance - end of year	\$ 11,023,706	\$ 553,294	\$ 11,577,000	\$ 11,301,301	\$ 11,297,304	\$ 279,696

See accompanying note to budgetary comparison schedules.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ONE PERCENT SALES TAX OF 1984 FUND**  
**YEAR ENDED JUNE 30, 2014**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Sales tax	\$ 11,325,259	\$ -	\$ 11,325,259	\$ 11,489,412	\$ 11,489,412	\$ (164,153)
Total revenues	11,325,259	-	11,325,259	11,489,412	11,489,412	(164,153)
<b>EXPENDITURES</b>						
Personnel	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	11,325,259	-	11,325,259	11,489,412	11,489,412	(164,153)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(11,365,791)	-	(11,365,791)	(11,489,412)	(11,489,412)	123,621
Net change in fund balance	(40,532)	-	(40,532)	-	-	(40,532)
Fund balance - beginning of year	40,532	-	40,532	40,532	40,532	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ 40,532	\$ 40,532	\$ (40,532)

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL DEBT FUND**  
**YEAR ENDED JUNE 30, 2014**

		ADJUSTMENT TO BUDGETARY		BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ACTUAL	BASIS	BUDGETARY	ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Sales tax	\$ 3,794,185	\$ -	\$ 3,794,185	\$ 4,086,787	\$ 4,086,787	\$ (292,602)
Interest on invested funds	918	-	918	1,300	1,300	(382)
Miscellaneous	-	-	-	-	-	-
Total revenues	3,795,103	-	3,795,103	4,088,087	4,088,087	(292,984)
<b>EXPENDITURES</b>						
Debt service:						
Principal	16,663,000	-	16,663,000	4,401,000	16,776,000	113,000
Interest	1,737,634	-	1,737,634	879,971	2,370,094	632,460
Miscellaneous	36,000	-	36,000	36,000	36,000	-
Total expenditures	18,436,634	-	18,436,634	5,316,971	19,182,094	745,460
Excess (deficiency) of revenues over (under) expenditures	(14,641,531)	-	(14,641,531)	(1,228,884)	(15,094,007)	452,476
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds of refunding bonds	13,648,074	-	13,648,074	-	13,648,073	1
Transfers in	893,222	-	893,222	1,348,884	1,033,451	(140,229)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	14,541,296	-	14,541,296	1,348,884	14,681,524	(140,228)
Net change in fund balance	(100,235)	-	(100,235)	120,000	(412,483)	312,248
Fund balance - beginning of year	3,843,161	-	3,843,161	3,843,161	3,843,161	-
Fund balance - end of year	\$ 3,742,926	\$ -	\$ 3,742,926	\$ 3,963,161	\$ 3,430,678	\$ 312,248



**CITY OF KENNER, LOUISIANA**  
**NOTE TO BUDGETARY COMPARISON SCHEDULES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

NOTE A - BUDGET-TO-ACTUAL RECONCILIATION

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

	General Fund	Community Development Block Grant Fund	Streets and Drainage Fund	Street Lighting Fund	Fire Protection Fund
Net change in fund balances (budgetary basis)	\$ (544,965)	\$ 6,646	\$ 76,923	\$ (7,376)	\$ 6,297
Basis differences:					
To adjust for encumbrances	(1,323,082)	(5,417)	(76,923)	7,376	(6,297)
Entity differences:					
To adjust for revenues not budgeted	<u>769,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances (GAAP basis)	<u>\$ (1,098,259)</u>	<u>\$ 1,229</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF KENNER, LOUISIANA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**FOR OTHER POSTEMPLOYMENT BENEFITS PLAN**  
**JUNE 30, 2014**

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value Of</u> <u>of Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u> <u>Entry Age</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>UAAL</u> <u>As A</u> <u>Percentage</u> <u>of Covered</u> <u>Payroll</u>
June 30, 2011	June 30, 2011	\$ -	\$ 15,071,536	\$ 15,071,536	0.00 %	\$ 26,074,568	57.80 %
June 30, 2012	June 30, 2011	\$ -	\$ 15,071,536	\$ 15,071,536	0.00 %	\$ 25,391,132	59.36 %
June 30, 2013	June 30, 2013	\$ -	\$ 12,687,985	\$ 12,687,985	0.00 %	\$ 26,520,081	47.84 %
June 30, 2014	June 30, 2013	\$ -	\$ 12,687,985	\$ 12,687,985	0.00 %	\$ 25,874,212	49.04 %

## **OTHER SUPPLEMENTARY INFORMATION**

**CITY OF KENNER, LOUISIANA  
NONMAJOR FUND DESCRIPTIONS  
JUNE 30, 2014**

**SPECIAL REVENUE FUNDS**

Special Revenue Funds account for the proceeds of specific revenues (other than special assessments, expendable trusts or revenues for major capital projects) that are legally restricted to expenditures for specific purposes.

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

The Community Development Block Grant Fund accounts for the grants received from the Federal Community Development Block Grant Program.

**GARBAGE COLLECTION AND DISPOSAL FUND**

The Garbage Collection and Disposal Fund accounts for the proceeds of ad valorem taxes which are specifically dedicated to solid waste collection throughout the City in residential and some commercial areas.

**STREETS AND DRAINAGE AND STREET LIGHTING FUNDS**

The Roads and Bridges and Street Lighting Funds account for the proceeds of ad valorem taxes which are specifically dedicated for the functions performed by each of these funds.

**FIRE PROTECTION FUND**

The Fire Protection Fund accounts for the proceeds of sales taxes generated by a 1 percent sales tax increase. These funds are to be used to fund a municipal homestead exemption, police protection and various other city services.

**DEBT SERVICE FUNDS**

The Debt Service Funds are used to accumulate monies for the payment of principal, interest, and fiscal charges on the City of Kenner's general obligation and special tax bonds.

**AD VALOREM TAX BOND FUND**

The Ad Valorem Tax Bond Fund accounts for the property tax levies needed to comply with the interest and principal redemption requirements for the loan agreement for the LCDA loan.

**FIREMEN'S PENSION MERGER FUND**

The Firemen's Pension Merger Fund accounts for the funding needed to comply with the interest and principal redemption requirements for the loan payable to the Statewide Firefighters Retirement System.

**CITY OF KENNER, LOUISIANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	SPECIAL REVENUE FUNDS					
	GARBAGE COLLECTION AND DISPOSAL	STREETS AND DRAINAGE	STREET LIGHTING	FIRE PROTECTION	COMMUNITY DEVELOPMENT BLOCK GRANT	TOTAL
<b>ASSETS</b>						
Cash	\$ -	158	\$ -	\$ -	\$ 43,295	\$ 43,453
Equity in pooled cash	-	-	48,329	2	435,076	483,407
Receivables (net, where applicable, of allowances for uncollectibles)						
Accounts	861,050	-	-	115,235	-	976,285
Intergovernmental	-	-	-	-	59,824	59,824
Other	-	-	38	200	506	744
Due from other funds	132,047	93,648	34,915	755,431	-	1,016,041
Total assets	<u>\$ 993,097</u>	<u>\$ 93,806</u>	<u>\$ 83,282</u>	<u>\$ 870,868</u>	<u>\$ 538,701</u>	<u>\$ 2,579,754</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 353,597	\$ 10,810	\$ 67,585	\$ 7,476	\$ 2,765	\$ 442,233
Accrued liabilities	-	51,837	9,895	233,352	46,499	341,583
Due to other funds	521,355	30,621	4,714	90,949	75,041	722,680
Unearned revenues	118,145	538	1,088	539,091	-	658,862
Total liabilities	<u>993,097</u>	<u>93,806</u>	<u>83,282</u>	<u>870,868</u>	<u>124,305</u>	<u>2,165,358</u>
Fund balances:						
Restricted						
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ 414,396	\$ 414,396
Debt service	-	-	-	-	-	-
Committed						
Encumbrances	-	-	-	-	-	-
Other commitments	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>414,396</u>	<u>414,396</u>
Total liabilities and fund balances	<u>\$ 993,097</u>	<u>\$ 93,806</u>	<u>\$ 83,282</u>	<u>\$ 870,868</u>	<u>\$ 538,701</u>	<u>\$ 2,579,754</u>

AD VALOREM TAX BONDS	DEBT SERVICE		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	FIREMEN'S PENSION MERGER FUND	TOTAL	
\$ 8,312	\$ -	\$ 8,312	\$ 51,765
55,893	751,778	807,671	1,291,078
-	-	-	976,285
-	-	-	59,824
-	-	-	744
16,253	-	16,253	1,032,294
<u>\$ 80,458</u>	<u>\$ 751,778</u>	<u>\$ 832,236</u>	<u>\$ 3,411,990</u>
\$ -	\$ -	\$ -	\$ 442,233
-	-	-	341,583
-	-	-	722,680
16,253	-	16,253	675,115
<u>16,253</u>	<u>-</u>	<u>16,253</u>	<u>2,181,611</u>
\$ -	\$ -	\$ -	\$ 414,396
64,205	751,778	815,983	815,983
-	-	-	-
-	-	-	-
-	-	-	-
<u>64,205</u>	<u>751,778</u>	<u>815,983</u>	<u>1,230,379</u>
<u>\$ 80,458</u>	<u>\$ 751,778</u>	<u>\$ 832,236</u>	<u>\$ 3,411,990</u>

**CITY OF KENNER, LOUISIANA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	SPECIAL REVENUE FUNDS					TOTAL
	GARBAGE COLLECTION AND DISPOSAL	STREETS AND DRAINAGE	STREET LIGHTING	FIRE PROTECTION	COMMUNITY DEVELOPMENT BLOCK GRANT	
<b>REVENUES</b>						
Taxes	\$ 735,386	\$ 787,193	\$ 23	\$ 4,683,652	\$ -	\$ 6,206,254
Intergovernmental	-	-	-	-	266,793	266,793
Charges for services	3,229,286	-	-	370	-	3,229,656
Interest	-	-	-	-	1	1
Miscellaneous	-	-	-	780	1,230	2,010
<b>Total Revenues</b>	<b>3,964,672</b>	<b>787,193</b>	<b>23</b>	<b>4,684,802</b>	<b>268,024</b>	<b>9,704,714</b>
<b>EXPENDITURES</b>						
Current:						
Public works	4,292,904	1,606,033	1,378,231	-	-	7,277,168
Public safety	-	-	-	7,200,470	-	7,200,470
Transit and urban development	-	-	-	-	749,688	749,688
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>4,292,904</b>	<b>1,606,033</b>	<b>1,378,231</b>	<b>7,200,470</b>	<b>749,688</b>	<b>15,227,326</b>
Excess (deficiency) of revenues over (under) expenditures	(328,232)	(818,840)	(1,378,208)	(2,515,668)	(481,664)	(5,522,612)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	328,232	818,840	1,378,208	2,515,668	482,894	5,523,842
<b>Total other financing sources (uses)</b>	<b>328,232</b>	<b>818,840</b>	<b>1,378,208</b>	<b>2,515,668</b>	<b>482,894</b>	<b>5,523,842</b>
Net change in fund balances	-	-	-	-	1,230	1,230
Fund balances - beginning of year	-	-	-	-	413,166	413,166
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 414,396</u>	<u>\$ 414,396</u>

DEBT SERVICE FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
AD VALOREM TAX BONDS	FIREMEN'S PENSION MERGER FUND	TOTAL	
1,917,219	\$ 287,341	\$ 2,204,560	\$ 8,410,814
-	-	-	266,793
-	-	-	3,229,656
4	126	130	131
4,136	-	4,136	6,146
<u>1,921,359</u>	<u>287,467</u>	<u>2,208,826</u>	<u>11,913,540</u>
-	-	-	7,277,168
-	-	-	7,200,470
-	-	-	749,688
1,825,000	81,019	1,906,019	1,906,019
81,183	156,684	237,867	237,867
<u>1,906,183</u>	<u>237,703</u>	<u>2,143,886</u>	<u>17,371,212</u>
<u>15,176</u>	<u>49,764</u>	<u>64,940</u>	<u>(5,457,672)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>5,523,842</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>5,523,842</u>
15,176	49,764	64,940	66,170
49,029	702,014	751,043	1,164,209
<u>\$ 64,205</u>	<u>\$ 751,778</u>	<u>\$ 815,983</u>	<u>\$ 1,230,379</u>



**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2014**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>TAXES</b>						
Ad valorem tax	\$ 953,895	\$ -	\$ 953,895	\$ 970,429	\$ 970,429	\$ (16,534)
Sales tax	15,281,276	-	15,281,276	14,945,630	14,945,630	335,646
Beer tax	70,784	-	70,784	78,451	78,451	(7,667)
Parking tax	1,393,653	-	1,393,653	1,393,653	1,393,653	-
<b>Franchises</b>						
Electricity service	1,594,808	-	1,594,808	1,456,401	1,456,401	138,407
Gas service	192,792	-	192,792	153,949	153,949	38,843
Off-track wagering	80,158	-	80,158	82,458	82,458	(2,300)
Hotel/motel tax	371,781	-	371,781	347,367	347,367	24,414
Telephone	131,313	-	131,313	155,941	155,941	(24,628)
Video service	265,844	-	265,844	208,717	208,717	57,127
Riverboat	4,461,499	-	4,461,499	4,815,400	4,815,400	(353,901)
Total taxes	24,797,803	-	24,797,803	24,608,396	24,608,396	189,407
<b>LICENSES AND PERMITS</b>						
<b>Business:</b>						
Occupational	2,280,094	-	2,280,094	2,306,654	2,306,654	(26,560)
Alcoholic beverage	84,753	-	84,753	84,690	84,690	63
Chain store	52,170	-	52,170	59,874	59,874	(7,704)
Plumbing	47,915	-	47,915	57,000	57,000	(9,085)
Electrical	42,375	-	42,375	39,000	39,000	3,375
Taxi cab	30,711	-	30,711	39,261	39,261	(8,550)
Air conditioning	23,185	-	23,185	22,000	22,000	1,185
Bingo	50	-	50	100	100	(50)
Animal control	-	-	-	100	100	(100)
Total business	2,561,253	-	2,561,253	2,608,679	2,608,679	(47,426)
<b>Non-business:</b>						
Building	243,772	-	243,772	388,152	388,152	(144,380)
Garage sales	2,855	-	2,855	3,000	3,000	(145)
Brake tags	383,379	-	383,379	415,000	415,000	(31,621)
Total non-business	630,006	-	630,006	806,152	806,152	(176,146)
Total licenses and permits	3,191,259	-	3,191,259	3,414,831	3,414,831	(223,572)
<b>INTERGOVERNMENTAL</b>						
Federal Grants	449,444	(130,614)	318,830	-	-	318,830
<b>From state:</b>						
Tobacco tax	-	-	-	-	-	-
Parish transportation fund	413,912	-	413,912	350,117	421,109	(7,197)
Parish road fund	224,076	-	224,076	191,121	191,121	32,955
Video poker	639,471	-	639,471	720,000	720,000	(80,529)
Other state grants	85,376	(85,376)	-	-	-	-
<b>From other local government subdivisions:</b>						
Jefferson Council on Aging	36,461	-	36,461	39,000	39,000	(2,539)
Jefferson Parish	211,000	-	211,000	211,000	211,000	-
Total intergovernmental	\$ 2,059,740	\$ (215,990)	\$ 1,843,750	\$ 1,511,238	\$ 1,582,230	\$ 261,520

(Continued)

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CONTINUED)**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2014**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>CHARGES FOR SERVICES</b>						
Zoning fees	\$ 8,376	\$ -	\$ 8,376	\$ 7,550	\$ 7,550	\$ 826
Inspection fees						
Electrical	65,885	-	65,885	80,000	80,000	(14,115)
Plumbing	41,705	-	41,705	75,000	75,000	(33,295)
Air conditioning, heating, and other	50,651	-	50,651	58,000	58,000	(7,349)
Maps and document sales	4,569	-	4,569	2,500	2,500	2,069
Tax research fees	15,140	-	15,140	18,000	18,000	(2,860)
Police reports	31,640	-	31,640	32,000	32,000	(360)
Weed cutting fees	134,632	-	134,632	150,000	150,000	(15,368)
Recreation department						
Participation fees	199,354	-	199,354	198,496	198,496	858
Admission fees	62,901	-	62,901	35,000	35,000	27,901
Identification and other fees	237,306	-	237,306	225,900	225,900	11,406
Community service fees	-	-	-	-	-	-
Administrative charges	614,382	(553,383)	60,999	61,000	61,000	(1)
Total charges for services	1,466,541	(553,383)	913,158	943,446	943,446	(30,288)
<b>FINES AND FORFEITURES</b>						
Fines	1,867,687	-	1,867,687	1,925,000	1,925,000	(57,313)
Forfeitures	265,448	-	265,448	300,000	300,000	(34,552)
DWI fines	6,014	-	6,014	3,200	3,200	2,814
Reinstatement fees	48,503	-	48,503	60,000	60,000	(11,497)
Total fines and forfeitures	2,187,652	-	2,187,652	2,288,200	2,288,200	(100,548)
<b>INTEREST ON INVESTED FUNDS</b>	5,934	-	5,934	17,950	17,950	(12,016)
<b>MISCELLANEOUS</b>						
Donations	58,920	-	58,920	-	-	58,920
Rents	219,043	-	219,043	225,270	225,270	(6,227)
Other investment income	67,618	-	67,618	34,050	34,050	33,568
Other	104,982	(415)	104,567	57,800	57,800	46,767
Total miscellaneous	450,563	(415)	450,148	317,120	317,120	133,028
<b>Total revenues</b>	<b>\$ 34,159,492</b>	<b>\$ (769,788)</b>	<b>\$ 33,389,704</b>	<b>\$ 33,101,181</b>	<b>\$ 33,172,173</b>	<b>\$ 217,531</b>

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2014**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>GENERAL GOVERNMENT</b>						
Personnel	\$ 7,020,994	\$ (553,382)	\$ 6,467,612	\$ 6,564,724	\$ 6,401,642	\$ (65,970)
Supplies	150,355	(36,308)	114,047	117,788	144,014	29,967
Service charges	3,392,939	(186,890)	3,206,049	3,227,714	3,276,008	69,959
Capital outlay	418,019	(308,449)	109,570	11,000	99,562	(10,008)
Total general government	10,982,307	(1,085,029)	9,897,278	9,921,226	9,921,226	23,948
<b>PUBLIC SAFETY</b>						
Personnel	15,687,323	(162,432)	15,524,891	15,979,403	15,546,435	21,544
Supplies	894,044	(18,107)	875,937	780,907	824,544	(51,393)
Service charges	2,175,622	(35,721)	2,139,901	1,915,218	2,105,887	(34,014)
Capital outlay	247,388	(77,627)	169,761	-	199,277	29,516
Total public safety	19,004,377	(293,887)	18,710,490	18,675,528	18,676,143	(34,347)
<b>PUBLIC WORKS</b>						
Personnel	1,570,854	-	1,570,854	1,591,337	1,593,173	22,319
Supplies	775,370	(10,712)	764,658	816,415	752,703	(11,955)
Service charges	402,556	(15,028)	387,528	432,477	370,863	(16,665)
Capital outlay	20,492	98,306	118,798	-	123,490	4,692
Total public works	2,769,272	72,566	2,841,838	2,840,229	2,840,229	(1,609)
<b>HEALTH AND WELFARE</b>						
Personnel	389,623	-	389,623	384,363	387,940	(1,683)
Supplies	9,063	-	9,063	7,349	7,301	(1,762)
Service charges	170	-	170	13,927	1,759	1,589
Capital outlay	-	-	-	-	-	-
Total health and welfare	398,856	-	398,856	405,639	397,000	(1,856)

(Continued)

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2014**

		ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ACTUAL			ORIGINAL BUDGET	FINAL BUDGET	
<b>CULTURE AND RECREATION</b>						
Personnel	\$ 2,974,786	\$ -	\$ 2,974,786	\$ 3,049,862	\$ 2,963,115	\$ (11,671)
Supplies	469,270	(14,852)	454,418	452,113	464,657	10,239
Service charges	917,933	(1,880)	916,053	826,967	901,458	(14,595)
Capital outlay	13,736	-	13,736	2,000	13,736	-
Total culture and recreation	4,375,725	(16,732)	4,358,993	4,330,942	4,342,966	(16,027)
<b>TRANSIT</b>						
Personnel	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Service charges	386,175	-	386,175	350,117	421,109	34,934
Capital outlay	-	-	-	-	-	-
TOTAL TRANSIT	386,175	-	386,175	350,117	421,109	34,934
<b>TOTAL EXPENDITURES</b>						
Personnel	27,643,580	(715,814)	26,927,766	27,569,689	26,892,305	(35,461)
Supplies	2,298,102	(79,979)	2,218,123	2,174,572	2,193,219	(24,904)
Service charges	7,275,395	(239,519)	7,035,876	6,766,420	7,077,084	41,208
Capital outlay	699,635	(287,770)	411,865	13,000	436,065	24,200
TOTAL EXPENDITURES	\$ 37,916,712	\$ (1,323,082)	\$ 36,593,630	\$ 36,523,681	\$ 36,598,673	\$ 5,043

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**GENERAL GOVERNMENT FUNCTION**

COUNCIL OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 732,829	\$ -	\$ 732,829	\$ 812,688	\$ 759,008	\$ 26,179
Supplies	21,881	6,327	28,208	37,170	41,887	13,679
Service charges	79,173	25,093	104,266	119,150	143,746	39,480
Capital outlay	17,443	21,079	38,522	10,000	34,367	(4,155)
	<u>\$ 851,326</u>	<u>\$ 52,499</u>	<u>\$ 903,825</u>	<u>\$ 979,008</u>	<u>\$ 979,008</u>	<u>\$ 75,183</u>

MAYOR'S OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 561,199	\$ -	\$ 561,199	\$ 562,722	\$ 559,152	\$ (2,047)
Supplies	10,269	782	11,051	11,500	11,876	825
Service charges	31,456	-	31,456	30,900	32,983	1,527
Capital outlay	2,110	-	2,110	1,000	2,111	1
Total expenditures	<u>\$ 605,034</u>	<u>\$ 782</u>	<u>\$ 605,816</u>	<u>\$ 606,122</u>	<u>\$ 606,122</u>	<u>\$ 306</u>

FINANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 805,764	\$ -	\$ 805,764	\$ 798,885	\$ 802,596	\$ (3,168)
Supplies	10,221	272	10,493	15,000	10,993	500
Service charges	44,565	500	45,065	46,678	46,974	1,909
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 860,550</u>	<u>\$ 772</u>	<u>\$ 861,322</u>	<u>\$ 860,563</u>	<u>\$ 860,563</u>	<u>\$ (759)</u>

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**GENERAL GOVERNMENT FUNCTION (CONTINUED)**

PURCHASING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 267,326	-	\$ 267,326	\$ 266,256	\$ 266,292	\$ (1,034)
Supplies	4,049	(47)	4,002	5,500	3,971	(31)
Service charges	16,662	-	16,662	21,374	21,338	4,676
Capital outlay	-	593	593	-	1,529	936
		-				
Total expenditures	\$ 288,037	\$ 546	\$ 288,583	\$ 293,130	\$ 293,130	\$ 4,547

PERSONNEL

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 251,864	\$ -	\$ 251,864	\$ 250,932	\$ 250,932	\$ (932)
Supplies	3,792	(123)	3,669	3,318	3,956	287
Service charges	27,788	5,383	33,171	35,235	34,597	1,426
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 283,444	\$ 5,260	\$ 288,704	\$ 289,485	\$ 289,485	\$ 781

PLANNING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 428,831	\$ -	\$ 428,831	\$ 426,263	\$ 427,170	\$ (1,661)
Supplies	2,692	(32)	2,660	5,200	2,682	22
Service charges	30,824	518	31,342	32,400	30,889	(453)
Capital outlay	3,122	1,872	4,994	-	3,122	(1,872)
Total expenditures	\$ 465,469	\$ 2,358	\$ 467,827	\$ 463,863	\$ 463,863	\$ (3,964)

INFORMATION TECHNOLOGY

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 446,560	\$ -	\$ 446,560	\$ 461,784	\$ 443,438	\$ (3,122)
Supplies	13,920	(5,364)	8,556	7,500	8,858	302
Service charges	265,962	(3)	265,959	307,073	313,660	47,701
Capital outlay	10,401	-	10,401	-	10,401	-
Total expenditures	\$ 736,843	\$ (5,367)	\$ 731,476	\$ 776,357	\$ 776,357	\$ 44,881

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**GENERAL GOVERNMENT FUNCTION (CONTINUED)**

CIVIL SERVICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 148,659	\$ -	\$ 148,659	\$ 154,677	\$ 152,096	\$ 3,437
Supplies	2,678	-	2,678	2,100	2,843	165
Service charges	13,637	(447)	13,190	14,565	14,565	1,375
Capital outlay	1,838	-	1,838	-	1,838	-
Total expenditures	\$ 166,812	\$ (447)	\$ 166,365	\$ 171,342	\$ 171,342	\$ 4,977

GENERAL MUNICIPAL EXPENSE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 770,337	\$ (553,382)	\$ 216,955	\$ 312,912	\$ 215,224	\$ (1,731)
Supplies	37,712	(33,513)	4,199	9,000	34,704	30,505
Service charges	1,323,498	(212,435)	1,111,063	1,071,747	1,098,139	(12,924)
Capital outlay	369,232	(346,126)	23,106	-	23,885	779
Total expenditures	\$ 2,500,779	\$ (1,145,456)	\$ 1,355,323	\$ 1,393,659	\$ 1,371,952	\$ 16,629

MAYOR'S COURT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 671,175	\$ -	\$ 671,175	\$ 702,271	\$ 683,251	\$ 12,076
Supplies	21,391	(3,980)	17,411	15,500	16,244	(1,167)
Service charges	49,149	-	49,149	53,500	57,701	8,552
Capital outlay	7,180	6,895	14,075	-	14,075	-
Total expenditures	\$ 748,895	\$ 2,915	\$ 751,810	\$ 771,271	\$ 771,271	\$ 19,461

CITY ATTORNEY

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	598,462	\$ -	\$ 598,462	595,515	600,907	\$ 2,445
Supplies	21,750	(630)	21,120	6,000	6,000	(15,120)
Service charges	131,668	(5,608)	126,060	131,000	117,374	(8,686)
Capital outlay	6,693	7,238	13,931	0	8,234	(5,697)
Total expenditures	\$ 758,573	\$ 1,000	\$ 759,573	\$ 732,515	\$ 732,515	\$ (27,058)

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**GENERAL GOVERNMENT FUNCTION (CONTINUED)**

INSURANCE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 57,199	\$ -	\$ 57,199	\$ 56,986	\$ 56,986	\$ (213)
Supplies	-	-	-	-	-	-
Service charges	1,363,427	109	1,363,536	1,364,092	1,364,042	506
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,420,626	\$ 109	\$ 1,420,735	\$ 1,421,078	\$ 1,421,028	\$ 293

PAY INCENTIVES

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 1,280,789	\$ -	\$ 1,280,789	\$ 1,162,833	\$ 1,184,590	\$ (96,199)
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,280,789	\$ -	\$ 1,280,789	\$ 1,162,833	\$ 1,184,590	\$ (96,199)

BAD DEBT

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	15,130	-	15,130	-	-	(15,130)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 15,130	\$ -	\$ 15,130	\$ -	\$ -	\$ (15,130)

TOTAL - GENERAL GOVERNMENT FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 7,020,994	\$ (553,382)	\$ 6,467,612	\$ 6,564,724	\$ 6,401,642	\$ (65,970)
Supplies	150,355	(36,308)	114,047	117,788	144,014	29,967
Service charges	3,392,939	(186,890)	3,206,049	3,227,714	3,276,008	69,959
Capital outlay	418,019	(308,449)	109,570	11,000	99,562	(10,008)
Total expenditures	\$ 10,982,307	\$ (1,085,029)	\$ 9,897,278	\$ 9,921,226	\$ 9,921,226	\$ 23,948



**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**PUBLIC SAFETY FUNCTION**

POLICE ADMINISTRATIVE SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 832,784	\$ -	\$ 832,784	\$ 806,377	\$ 830,497	\$ (2,287)
Supplies	48,045	2,496	50,541	31,000	39,725	(10,816)
Service charges	784,462	(17,224)	767,238	720,300	763,855	(3,383)
Capital outlay	109,695	(24,037)	85,658	-	85,025	(633)
Total expenditures	<u>\$ 1,774,986</u>	<u>\$ (38,765)</u>	<u>\$ 1,736,221</u>	<u>\$ 1,557,677</u>	<u>\$ 1,719,102</u>	<u>\$ (17,119)</u>

POLICE FIELD SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 6,665,061	\$ (84,363)	\$ 6,580,698	\$ 6,940,316	\$ 6,591,041	\$ 10,343
Supplies	651,608	(7,953)	643,655	606,000	609,275	(34,380)
Service charges	1,021,120	(5,403)	1,015,717	965,500	995,050	(20,667)
Capital outlay	121,328	(32,497)	88,831	-	104,500	15,669
Total expenditures	<u>\$ 8,459,117</u>	<u>\$ (130,216)</u>	<u>\$ 8,328,901</u>	<u>\$ 8,511,816</u>	<u>\$ 8,299,866</u>	<u>\$ (29,035)</u>

POLICE INVESTIGATING SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 3,739,223	\$ (59,731)	\$ 3,679,492	\$ 3,681,328	\$ 3,716,278	\$ 36,786
Supplies	13,031	(4,125)	8,906	8,000	8,500	(406)
Service charges	20,595	-	20,595	3,000	19,600	(995)
Capital outlay	280	-	280	-	300	20
Total expenditures	<u>\$ 3,773,129</u>	<u>\$ (63,856)</u>	<u>\$ 3,709,273</u>	<u>\$ 3,692,328</u>	<u>\$ 3,744,678</u>	<u>\$ 35,405</u>

POLICE COMMUNICATIONS SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 772,719	\$ -	\$ 772,719	\$ 712,031	\$ 769,281	\$ (3,438)
Supplies	2,904	(1,109)	1,795	2,000	1,875	80
Service charges	28,201	-	28,201	12,000	28,300	99
Capital outlay	668	-	668	-	675	7
Total expenditures	<u>\$ 804,492</u>	<u>\$ (1,109)</u>	<u>\$ 803,383</u>	<u>\$ 726,031</u>	<u>\$ 800,131</u>	<u>\$ (3,252)</u>

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**PUBLIC SAFETY FUNCTION (CONTINUED)**

POLICE JAIL SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 847,296	\$ -	847,296	\$ 813,936	\$ 840,636	\$ (6,660)
Supplies	100,850	(5,104)	95,746	89,000	89,050	(6,696)
Service charges	17,394	(1,848)	15,546	12,000	14,500	(1,046)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 965,540	\$ (6,952)	\$ 958,588	\$ 914,936	\$ 944,186	\$ (14,402)

POLICE TECHNICAL SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	-	\$ -	\$ -	\$ -
Supplies	40,148	188	40,336	7,000	39,950	(386)
Service charges	24,804	(8,423)	16,381	8,000	16,050	(331)
Capital outlay	12,223	(7,764)	4,459	-	4,000	(459)
Total expenditures	\$ 77,175	\$ (15,999)	\$ 61,176	\$ 15,000	\$ 60,000	\$ (1,176)

CODE ENFORCEMENT - ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,264,194	\$ -	\$ 1,264,194	\$ 1,346,607	\$ 1,266,069	\$ 1,875
Supplies	20,546	(100)	20,446	22,450	20,757	311
Service charges	274,043	(2,460)	271,583	187,180	261,294	(10,289)
Capital outlay	3,194	(13,329)	(10,135)	-	4,777	14,912
Total expenditures	\$ 1,561,977	\$ (15,889)	\$ 1,546,088	\$ 1,556,237	\$ 1,552,897	\$ 6,809

POLICE SUPPORT SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	1,374,336	\$ (18,338)	\$ 1,355,998	1,487,488.00	1,341,313	\$ (14,685)
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,374,336	\$ (18,338)	\$ 1,355,998	\$ 1,487,488	\$ 1,341,313	\$ (14,685)

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**PUBLIC SAFETY FUNCTION (CONTINUED)**

CODE ENFORCEMENT - INSPECTIONS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 191,710	\$ -	\$ 191,710	\$ 191,320	\$ 191,320	\$ (390)
Supplies	16,912	(2,400)	14,512	15,457	15,412	900
Service charges	5,003	(363)	4,640	7,238	7,238	2,598
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 213,625</u>	<u>\$ (2,763)</u>	<u>\$ 210,862</u>	<u>\$ 214,015</u>	<u>\$ 213,970</u>	<u>\$ 3,108</u>

TOTAL - PUBLIC SAFETY FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 15,687,323	\$ (162,432)	\$ 15,524,891	\$ 15,979,403	\$ 15,546,435	\$ 21,544
Supplies	894,044	(18,107)	875,937	780,907	824,544	(51,393)
Service charges	2,175,622	(35,721)	2,139,901	1,915,218	2,105,887	(34,014)
Capital outlay	247,388	(77,627)	169,761	-	199,277	29,516
Total expenditures	<u>\$ 19,004,377</u>	<u>\$ (293,887)</u>	<u>\$ 18,710,490</u>	<u>\$ 18,675,528</u>	<u>\$ 18,676,143</u>	<u>\$ (34,347)</u>

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**PUBLIC WORKS FUNCTION**

PUBLIC WORKS - TRAFFIC

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 191,687	\$ -	\$ 191,687	\$ 198,511	\$ 198,511	\$ 6,824
Supplies	65,703	516	66,219	65,345	65,374	(845)
Service charges	-	-	-	-	-	-
Capital outlay	1,808	-	1,808	-	1,808	-
Total expenditures	\$ 259,198	\$ 516	\$ 259,714	\$ 263,856	\$ 265,693	\$ 5,979

PUBLIC WORKS - PARKWAYS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 85,851	\$ -	\$ 85,851	\$ 98,127	\$ 88,737	\$ 2,886
Supplies	16,200	908	17,108	22,000	22,000	4,892
Service charges	176,968	(14,273)	162,695	191,000	138,758	(23,937)
Capital outlay	17,749	-	17,749	-	-	(17,749)
Total expenditures	\$ 296,768	\$ (13,365)	\$ 283,403	\$ 311,127	\$ 249,495	\$ (33,908)

PUBLIC WORKS - ENGINEERING & CAPITAL PROJECTS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PUBLIC WORKS - FLEET MANAGEMENT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 317,231	\$ -	\$ 317,231	\$ 317,512	\$ 317,903	\$ 672
Supplies	425,683	7,280	432,963	534,070	439,832	6,869
Service charges	104,755	286	105,041	94,477	113,103	8,062
Capital outlay	450	74,770	75,220	-	75,221	1
Total expenditures	\$ 848,119	\$ 82,336	\$ 930,455	\$ 946,059	\$ 946,059	\$ 15,604

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**PUBLIC WORKS FUNCTION (CONTINUED)**

PUBLIC WORKS - GENERAL SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 408,930	\$ -	\$ 408,930	\$ 442,740	\$ 416,798	\$ 7,868
Supplies	242,391	(19,454)	222,937	166,000	196,131	(26,806)
Service charges	-	-	-	-	-	-
Capital outlay	-	(8,439)	(8,439)	-	-	8,439
Total expenditures	<u>\$ 651,321</u>	<u>\$ (27,893)</u>	<u>\$ 623,428</u>	<u>\$ 608,740</u>	<u>\$ 612,929</u>	<u>\$ (10,499)</u>

PUBLIC WORKS ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 567,155	\$ -	\$ 567,155	\$ 534,447	\$ 571,224	\$ 4,069
Supplies	25,393	38	25,431	29,000	29,366	3,935
Service charges	120,833	(1,041)	119,792	147,000	119,002	(790)
Capital outlay	485	31,975	32,460	-	46,461	14,001
Total expenditures	<u>\$ 713,866</u>	<u>\$ 30,972</u>	<u>\$ 744,838</u>	<u>\$ 710,447</u>	<u>\$ 766,053</u>	<u>\$ 21,215</u>

TOTAL - PUBLIC WORKS FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,570,854	\$ -	\$ 1,570,854	\$ 1,591,337	\$ 1,593,173	\$ 22,319
Supplies	775,370	(10,712)	764,658	816,415	752,703	(11,955)
Service charges	402,556	(15,028)	387,528	432,477	370,863	(16,665)
Capital outlay	20,492	98,306	118,798	-	123,490	4,692
Total expenditures	<u>\$ 2,769,272</u>	<u>\$ 72,566</u>	<u>\$ 2,841,838</u>	<u>\$ 2,840,229</u>	<u>\$ 2,840,229</u>	<u>\$ (1,609)</u>

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**HEALTH AND WELFARE FUNCTION**

CODE ENFORCEMENT - HUMANE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 109,324	\$ -	\$ 109,324	\$ 104,396	\$ 108,713	\$ (611)
Supplies	1,158	-	1,158	2,849	3,158	2,000
Service charges	170	-	170	3,000	1,759	1,589
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 110,652	\$ -	\$ 110,652	\$ 110,245	\$ 113,630	\$ 2,978

COUNCIL ON AGING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 280,299	\$ -	\$ 280,299	\$ 279,967	\$ 279,227	\$ (1,072)
Supplies	7,905	-	7,905	4,500	4,143	(3,762)
Service charges	-	-	-	10,927	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 288,204	\$ -	\$ 288,204	\$ 295,394	\$ 283,370	\$ (4,834)

TOTAL - HEALTH AND WELFARE FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 389,623	\$ -	\$ 389,623	\$ 384,363	\$ 387,940	\$ (1,683)
Supplies	9,063	-	9,063	7,349	7,301	(1,762)
Service charges	170	-	170	13,927	1,759	1,589
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 398,856	\$ -	\$ 398,856	\$ 405,639	\$ 397,000	\$ (1,856)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**CULTURE AND RECREATION FUNCTION**

LEISURE SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 120,587	\$ -	\$ 120,587	\$ 143,516	\$ 119,727	\$ (860)
Supplies	75,849	191	76,040	54,980	76,331	291
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 196,436	\$ 191	\$ 196,627	\$ 198,496	\$ 196,058	\$ (569)

PLANETARIUM

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 52,514	\$ -	\$ 52,514	\$ 52,091	\$ 52,312	\$ (202)
Supplies	40,819	-	40,819	48,000	40,819	-
Service charges	9,934	-	9,934	13,000	9,955	21
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 103,267	\$ -	\$ 103,267	\$ 113,091	\$ 103,086	\$ (181)

CULTURE & RECREATION - HUMANITIES AND MUSEUMS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 84,774	\$ -	\$ 84,774	\$ 84,319	\$ 84,455	\$ (319)
Supplies	26,969	(1,587)	25,382	47,000	26,853	1,471
Service charges	180,276	-	180,276	112,800	180,477	201
Capital outlay	9,563	-	9,563	-	9,563	-
Total expenditures	\$ 301,582	\$ (1,587)	\$ 299,995	\$ 244,119	\$ 301,348	\$ 1,353

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**CULTURE AND RECREATION FUNCTION (CONTINUED)**

RECREATION - ATHLETICS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,306,538	\$ -	\$ 1,306,538	\$ 1,360,730	\$ 1,300,724	\$ (5,814)
Supplies	122,535	(5,386)	117,149	116,500	116,091	(1,058)
Service charges	556,786	(1,250)	555,536	517,667	545,250	(10,286)
Capital outlay	4,173	-	4,173	2,000	4,173	-
Total expenditures	<u>\$ 1,990,032</u>	<u>\$ (6,636)</u>	<u>\$ 1,983,396</u>	<u>\$ 1,996,897</u>	<u>\$ 1,966,238</u>	<u>\$ (17,158)</u>

RECREATION MAINTENANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,361,600	\$ -	\$ 1,361,600	\$ 1,360,788	\$ 1,357,329	\$ (4,271)
Supplies	203,098	(8,070)	\$ 195,028	184,233	204,563	9,535
Service charges	119,522	(926)	118,596	135,000	117,113	(1,483)
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 1,684,220</u>	<u>\$ (8,996)</u>	<u>\$ 1,675,224</u>	<u>\$ 1,680,021</u>	<u>\$ 1,679,005</u>	<u>\$ 3,781</u>

CITY PARK OPERATIONS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 48,773	\$ -	\$ 48,773	\$ 48,418	\$ 48,568	\$ (205)
Supplies	-	-	-	1,400	-	-
Service charges	51,415	296	51,711	48,500	48,663	(3,048)
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 100,188</u>	<u>\$ 296</u>	<u>\$ 100,484</u>	<u>\$ 98,318</u>	<u>\$ 97,231</u>	<u>\$ (3,253)</u>

TOTAL - CULTURE AND RECREATION FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 2,974,786	-	\$ 2,974,786	\$ 3,049,862	\$ 2,963,115	\$ (11,671)
Supplies	469,270	(14,852)	454,418	452,113	464,657	10,239
Service charges	917,933	(1,880)	916,053	826,967	901,458	(14,595)
Capital outlay	13,736	-	13,736	2,000	13,736	-
Total expenditures	<u>\$ 4,375,725</u>	<u>\$ (16,732)</u>	<u>\$ 4,358,993</u>	<u>\$ 4,330,942</u>	<u>\$ 4,342,966</u>	<u>\$ (16,027)</u>



**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**TRANSIT FUNCTION**

TOTAL - TRANSIT FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	386,175	-	386,175	350,117	421,109	34,934
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 386,175</u>	<u>\$ -</u>	<u>\$ 386,175</u>	<u>\$ 350,117</u>	<u>\$ 421,109</u>	<u>\$ 34,934</u>

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
**YEAR ENDED JUNE 30, 2014**

		ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ACTUAL			ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Intergovernmental	\$ 266,793	\$ -	\$ 266,793	\$ 176,853	\$ 200,606	\$ 66,187
Interest	1	-	1	-	-	1
Miscellaneous	1,230	-	1,230	-	-	1,230
Total revenues	268,024	-	268,024	176,853	200,606	67,418
<b>EXPENDITURES</b>						
Public works:						
Capital outlay	-	-	-	-	-	-
Total public works	-	-	-	-	-	-
Culture and recreation:						
Capital outlay	-	-	-	-	-	-
Total culture and recreation	-	-	-	-	-	-
Urban development:						
Personnel	627,599	-	627,599	623,485	635,179	7,580
Supplies	10,371	(334)	10,037	11,040	10,588	551
Service charges	104,707	(207)	104,500	100,263	110,174	5,674
Capital outlay	7,012	(4,876)	2,136	-	2,600	464
Total urban development	749,689	(5,417)	744,272	734,788	758,541	14,269
Total Expenditures	749,689	(5,417)	744,272	734,788	758,541	14,269
Excess (deficiency) of revenues over (under) expenditures	(481,665)	5,417	(476,248)	(557,935)	(557,935)	81,687

(Continued)

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
**YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

		ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ACTUAL			ORIGINAL BUDGET	FINAL BUDGET	
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ 482,894	\$ -	\$ 482,894	\$ 557,935	\$ 557,935	\$ (75,041)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	482,894	-	482,894	557,935	557,935	(75,041)
Net change in fund balance	1,229	5,417	6,646	-	-	6,646
Fund balance - beginning of year	413,172	-	413,172	413,172	413,172	-
Fund balance - end of year	<u>\$ 414,401</u>	<u>\$ 5,417</u>	<u>\$ 419,818</u>	<u>\$ 413,172</u>	<u>\$ 413,172</u>	<u>\$ 6,646</u>

See accompanying note to budgetary comparison schedules.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GARBAGE COLLECTION AND DISPOSAL FUND**  
**YEAR ENDED JUNE 30, 2014**

		ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ACTUAL			ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Ad valorem tax	\$ 735,386	\$ -	\$ 735,386	\$ 748,341	\$ 748,341	\$ (12,955)
Intergovernmental	-	-	-	-	-	-
Charges for services:						
Garbage fees and penalties	3,229,286	-	3,229,286	3,180,936	3,180,936	48,350
Interest	-	-	-	-	-	-
Total revenues	<u>3,964,672</u>	<u>-</u>	<u>3,964,672</u>	<u>3,929,277</u>	<u>3,929,277</u>	<u>35,395</u>
<b>EXPENDITURES</b>						
Public works:						
Contractual services	<u>4,292,904</u>	<u>-</u>	<u>4,292,904</u>	<u>4,350,760</u>	<u>4,350,760</u>	<u>57,856</u>
Total expenditures	<u>4,292,904</u>	<u>-</u>	<u>4,292,904</u>	<u>4,350,760</u>	<u>4,350,760</u>	<u>57,856</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(328,232)</u>	<u>-</u>	<u>(328,232)</u>	<u>(421,483)</u>	<u>(421,483)</u>	<u>93,251</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	328,232	-	328,232	421,483	421,483	(93,251)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>328,232</u>	<u>-</u>	<u>328,232</u>	<u>421,483</u>	<u>421,483</u>	<u>(93,251)</u>
Net change in fund balances	-	-	-	-	-	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to budgetary comparison schedules.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**STREETS AND DRAINAGE FUND**  
**YEAR ENDED JUNE 30, 2014**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Ad valorem tax	\$ 787,193	\$ -	\$ 787,193	\$ 834,810	\$ 834,810	\$ (47,617)
Intergovernmental	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>787,193</u>	<u>-</u>	<u>787,193</u>	<u>834,810</u>	<u>834,810</u>	<u>(47,617)</u>
<b>EXPENDITURES</b>						
Public works:						
Personnel	1,386,033	-	1,386,033	1,478,548	1,388,744	2,711
Supplies	212,567	(38,157)	174,410	192,000	192,000	17,590
Capital outlay	-	-	-	-	5,798	5,798
Service charges	<u>7,433</u>	<u>(38,766)</u>	<u>(31,333)</u>	<u>-</u>	<u>-</u>	<u>31,333</u>
Total expenditures	<u>1,606,033</u>	<u>(76,923)</u>	<u>1,529,110</u>	<u>1,670,548</u>	<u>1,586,542</u>	<u>57,432</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(818,840)</u>	<u>76,923</u>	<u>(741,917)</u>	<u>(835,738)</u>	<u>(751,732)</u>	<u>9,815</u>
<b>OTHER FINANCING SOURCES</b>						
Transfers in	<u>818,840</u>	<u>-</u>	<u>818,840</u>	<u>835,738</u>	<u>751,732</u>	<u>67,108</u>
Net change in fund balance	-	76,923	76,923	-	-	76,923
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 76,923</u>	<u>\$ 76,923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,923</u>

See accompanying note to budgetary comparison schedules.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**STREET LIGHTING FUND**  
**YEAR ENDED JUNE 30, 2014**

		ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ACTUAL			ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Ad valorem tax	\$ 22	\$ -	\$ 22	\$ -	\$ -	\$ 22
Intergovernmental	-	-	-	-	-	-
Total revenues	22	-	22	-	-	22
<b>EXPENDITURES</b>						
Personnel	258,185	-	258,185	283,916	257,096	(1,089)
Supplies	79,658	(3,436)	76,222	80,000	82,396	6,174
Service charges	1,040,387	10,812	1,051,199	935,000	1,043,430	(7,769)
Total expenditures	1,378,230	7,376	1,385,606	1,298,916	1,382,922	(2,684)
Excess (deficiency) of revenues over (under) expenditures	(1,378,208)	(7,376)	(1,385,584)	(1,298,916)	(1,382,922)	(2,662)
<b>OTHER FINANCING SOURCES</b>						
Transfers in	1,378,208	-	1,378,208	1,298,916	1,382,922	(4,714)
Net change in fund balance	-	(7,376)	(7,376)	-	-	(7,376)
Fund balance - beginning of year	-	-	-	-	-	-
Fund balance - end of year	\$ -	\$ (7,376)	\$ (7,376)	\$ -	\$ -	\$ (7,376)

See accompanying note to budgetary comparison schedules.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FIRE PROTECTION FUND**  
**YEAR ENDED JUNE 30, 2014**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Ad valorem tax	\$ 3,393,387	\$ -	\$ 3,393,387	\$ 3,452,026	\$ 3,452,026	\$ (58,639)
Parking tax	909,658	-	909,658	664,112	664,112	245,546
Cable franchise tax	380,607	-	380,607	380,000	380,000	607
Intergovernmental	-	-	-	-	-	-
Charges for services	370	-	370	500	500	(130)
Interest	-	-	-	-	-	-
Miscellaneous	781	-	781	1,000	1,000	(219)
Total revenues	<u>4,684,803</u>	<u>-</u>	<u>4,684,803</u>	<u>4,497,638</u>	<u>4,497,638</u>	<u>187,165</u>
<b>EXPENDITURES</b>						
Public safety:						
Personnel	6,547,046	-	6,547,046	6,377,797	6,528,288	(18,758)
Supplies	82,674	113	82,787	108,000	83,313	526
Capital outlay	4,118	(2,292)	1,826	-	0	(1,826)
Service charges	566,633	(4,118)	562,515	599,105	473,301	(89,214)
Total expenditures	<u>7,200,471</u>	<u>(6,297)</u>	<u>7,194,174</u>	<u>7,084,902</u>	<u>7,084,902</u>	<u>(109,272)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,515,668)</u>	<u>6,297</u>	<u>(2,509,371)</u>	<u>(2,587,264)</u>	<u>(2,587,264)</u>	<u>77,893</u>

(Continued)

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FIRE PROTECTION FUND**  
**YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>OTHER FINANCING SOURCES</b>						
Transfers out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	<u>2,515,668</u>	<u>-</u>	<u>2,515,668</u>	<u>2,587,264</u>	<u>2,587,264</u>	<u>(71,596)</u>
Net change in fund balance	-	6,297	6,297	-	-	6,297
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ -</u></u>	<u><u>\$ 6,297</u></u>	<u><u>\$ 6,297</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,297</u></u>

See accompanying note to budgetary comparison schedules.



**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**AD VALOREM TAX BONDS FUND**  
**YEAR ENDED JUNE 30, 2014**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Ad valorem tax	\$ 1,917,219	\$ -	\$ 1,917,219	\$ 1,917,155	\$ 1,917,155	\$ 64
Interest on invested funds	4	-	4	-	-	4
Miscellaneous	4,136	-	4,136	-	-	-
Total revenues	1,921,359	-	1,921,359	1,917,155	1,917,155	68
<b>EXPENDITURES</b>						
Debt service:						
Principal	1,825,000	-	1,825,000	1,610,000	1,825,000	-
Interest and fiscal charges	81,183	-	81,183	307,155	92,155	10,972
Bond issuance costs	-	-	-	-	-	-
Total expenditures	1,906,183	-	1,906,183	1,917,155	1,917,155	10,972
Excess (deficiency) of revenues over (under) expenditures	15,176	-	15,176	-	-	11,040
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	15,176	-	15,176	-	-	11,040
Fund balance - beginning of year	49,029	-	49,029	49,029	49,029	-
Fund balance - end of year	\$ 64,205	\$ -	\$ 64,205	\$ 49,029	\$ 49,029	\$ 11,040

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FIREMEN'S PENSION MERGER FUND**  
**YEAR ENDED JUNE 30, 2014**

		ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ACTUAL			ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes						
Fire insurance premium	\$ 287,341	\$ -	\$ 287,341	\$ 252,637	\$ 252,637	\$ 34,704
Interest on invested funds	126	-	126	750	750	(624)
Miscellaneous	-	-	-	-	-	-
Total revenues	287,467	-	287,467	253,387	253,387	34,080
<b>EXPENDITURES</b>						
Debt service:						
Principal	81,019	-	81,019	81,020	81,020	1
Interest and fiscal charges	156,684	-	156,684	156,685	156,685	1
Total expenditures	237,703	-	237,703	237,705	237,705	2
Excess (deficiency) of revenues over (under) expenditures	49,764	-	49,764	15,682	15,682	34,082
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	49,764	-	49,764	15,682	15,682	34,082
Fund balance - beginning of year	702,014	-	702,014	702,014	702,014	-
Fund balance - end of year	\$ 751,778	\$ -	\$ 751,778	\$ 717,696	\$ 717,696	\$ 34,082

**CITY OF KENNER, LOUISIANA  
ENTERPRISE FUND DESCRIPTIONS  
JUNE 30, 2014**

ENTERPRISE FUNDS

Enterprise Funds are used to report any activity for which a fee is charged to external users for goods or services.

DEPARTMENT OF WASTEWATER OPERATIONS FUND

The Department of Wastewater Operations Fund accounts for the sewer services provided to the residents of the City of Kenner.

CIVIC CENTER OPERATIONS FUND

The Civic Center Operations Fund accounts for the operations of the Pontchartrain Civic Center.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL**  
**WASTEWATER OPERATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>OPERATING REVENUES</b>						
Charges for services						
Sewerage service charges	\$ 7,045,527	\$ -	\$ 7,045,527	\$ 7,487,891	\$ 7,187,891	\$ (142,364)
Miscellaneous	-	-	-	500	500	(500)
Total operating revenues	7,045,527	-	7,045,527	7,488,391	7,188,391	(142,864)
<b>OPERATING EXPENSES</b>						
Supplies and other expenses	1,208	-	1,208	-	1,198	(10)
Building and maintenance expenses	125,396	-	125,396	80,000	83,089	(42,307)
Outside services	6,079,653	-	6,079,653	5,852,001	6,039,675	(39,978)
Insurance claims	-	-	-	-	-	-
Insurance premiums	-	-	-	-	-	-
Depreciation	2,983,281	(2,983,281)	-	-	-	-
Public works	-	-	-	-	-	-
Other	20,011	-	20,011	15,500	20,012	1
Total operating expenses	9,209,549	(2,983,281)	6,226,268	5,947,501	6,143,974	(82,294)
Operating income (loss)	(2,164,022)	2,983,281	819,259	1,540,890	1,044,417	(225,158)
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Ad valorem taxes	442,735	-	442,735	531,081	531,081	(88,346)
Operating grants	109	-	109	-	-	109
Interest income	7,603	-	7,603	1,000	1,000	6,603
Interest expense	(658,698)	-	(658,698)	(856,550)	(675,510)	16,812
Bond issuance expense	-	-	-	-	-	-
Total non-operating revenues (expenses)	(208,251)	-	(208,251)	(324,469)	(143,429)	(64,822)
Income (loss) before contributions and transfers	(2,372,273)	2,983,281	611,008	1,216,421	900,988	(289,980)
Capital contributions	3,073,925	(3,073,925)	-	-	-	-
Transfer in	134,085	-	134,085	-	-	134,085
Transfer out	-	-	-	-	(144,631)	144,631
Change in net position	835,737	(90,644)	745,093	1,216,421	756,357	(11,264)
Net position - beginning of year	51,517,781	-	51,517,781	51,517,781	51,517,781	-
Net position - end of year	\$ 52,353,518	\$ (90,644)	\$ 52,262,874	\$ 52,734,202	\$ 52,274,138	\$ (11,264)

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL**  
**CIVIC CENTER OPERATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>OPERATING REVENUES</b>						
Charges for services:						
Rental charges	\$ 619,764	\$ -	\$ 619,764	\$ 650,000	\$ 650,000	\$ (30,236)
Parking	60,862	-	60,862	65,000	65,000	(4,138)
Concessions	93,806	-	93,806	75,000	75,000	18,806
Catering	140,675	-	140,675	100,000	100,000	40,675
Reimbursed services	369,946	-	369,946	400,000	400,000	(30,054)
Advertising	17,595	-	17,595	10,000	10,000	7,595
Miscellaneous	3,698	-	3,698	14,000	14,000	(10,302)
Total charges for services	1,306,346	-	1,306,346	1,314,000	1,314,000	(7,654)
Miscellaneous	5,004	-	5,004	8,010	8,010	(3,006)
Total operating revenues	1,311,350	-	1,311,350	1,322,010	1,322,010	(10,660)
<b>OPERATING EXPENSES</b>						
Supplies and other expenses	24,296	-	24,296	21,760	21,760	(2,536)
Building and maintenance expense	558,446	-	558,446	577,665	587,665	29,219
Outside services	1,207,222	(86,285)	1,120,937	1,079,895	1,096,255	(24,682)
Insurance premiums	100,802	-	100,802	100,795	100,795	(7)
General expenses:						
Depreciation	1,278,207	(1,278,207)	-	-	-	-
Other	15,243	-	15,243	-	-	(15,243)
Total operating expenses	3,184,216	(1,364,492)	1,819,724	1,780,115	1,806,475	(13,249)
Operating income (loss)	(1,872,866)	1,364,492	(508,374)	(458,105)	(484,465)	(23,909)
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Hotel/motel taxes	347,968	-	347,968	333,810	333,810	14,158
Cable television franchise fees	380,606	-	380,606	380,000	380,000	606
Interest income	27	-	27	2,000	2,000	(1,973)
Intergovernmental revenue	94,910	-	94,910	-	111,486	(16,576)
Hurricane repairs	(133,126)	-	(133,126)	-	(111,486)	(21,640)
Capital improvements	-	-	-	590,635	590,635	590,635
Total non-operating revenues	690,385	-	690,385	1,306,445	1,306,445	565,210
Income(loss) before contributions, transfers, and extraordinary item	(1,182,481)	1,364,492	182,011	848,340	821,980	541,301
Capital Contributions	-	-	-	-	-	-
Transfers in	2,000,000	(2,000,000)	-	-	-	-
Change in net position	817,519	(635,508)	182,011	848,340	821,980	541,301
Net position - beginning of year	15,463,294	-	15,463,294	15,463,294	15,463,294	-
Net position - end of year	\$ 16,280,813	\$ (635,508)	\$ 15,645,305	\$ 16,311,634	\$ 16,285,274	\$ 541,301

**CITY OF KENNER, LOUISIANA**  
**INTERNAL SERVICE FUND DESCRIPTIONS**  
**JUNE 30, 2014**

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

SELF-INSURANCE FUND

The Self-Insurance Fund accounts for monies accumulated to provide automobile, property damage and worker's compensation for which the City is self-insured.

HEALTH INSURANCE FUND

The Health Insurance Fund accounts for monies accumulated to pay the health insurance premiums.

**CITY OF KENNER, LOUISIANA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2014**

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
<b>ASSETS</b>			
Cash	\$ 157,603	\$ 297,059	\$ 454,662
Total assets	157,603	297,059	454,662
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-	-	-
<b>LIABILITIES</b>			
Accounts payable	4,881	4,365	9,246
Estimated claims payable	5,214,588	-	5,214,588
Due to other funds	81,097	285,097	366,194
Total liabilities	5,300,566	289,462	5,590,028
<b>DEFERRED INFLOWS OF RESOURCES</b>	-	-	-
<b>NET POSITION</b>			
Unrestricted	(5,142,963)	7,597	(5,135,366)
Total net position	\$ (5,142,963)	\$ 7,597	\$ (5,135,366)

**CITY OF KENNER, LOUISIANA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,075,000	\$ 4,439,238	\$ 5,514,238
<b>OPERATING EXPENSES</b>			
Outside services	100,500	-	100,500
Insurance claims	1,534,000	-	1,534,000
Insurance premiums	-	4,439,266	4,439,266
Total operating expenses	1,634,500	4,439,266	6,073,766
Operating income (loss)	(559,500)	(28)	(559,528)
<b>NON-OPERATING REVENUE (EXPENSE)</b>			
Interest income	32	28	60
Total non-operating revenue	32	28	60
Income (loss) before transfers	(559,468)	-	(559,468)
Transfers in	-	-	-
Change in net position	(559,468)	-	(559,468)
Net position - beginning of year	(4,583,495)	7,597	(4,575,898)
Net position - end of year	\$ (5,142,963)	\$ 7,597	\$ (5,135,366)



**CITY OF KENNER, LOUISIANA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
<b>Cash flows from operating activities:</b>			
Receipts from insured	\$ 1,075,000	\$ 4,414,938	\$ 5,489,938
Payments to suppliers	(1,127,451)	(4,436,701)	(5,564,152)
Internal activity - payments to other funds	(11,730)	(89,776)	(101,506)
Net cash used for operating activities	<u>(64,181)</u>	<u>(111,539)</u>	<u>(175,720)</u>
<b>Cash flows from non-capital financing activities:</b>			
Internal activity-receipts from other funds	-	24,300	24,300
Net cash provided by non-capital financing activities	<u>-</u>	<u>24,300</u>	<u>24,300</u>
<b>Cash flows from investing activities:</b>			
Interest and dividends received	32	28	60
Net cash provided by investing activities	<u>32</u>	<u>28</u>	<u>60</u>
Net increase (decrease) in cash and cash equivalents	(64,149)	(87,211)	(151,360)
Cash and cash equivalents, beginning of year	<u>221,752</u>	<u>384,270</u>	<u>606,022</u>
Cash and cash equivalents, end of year	<u><u>\$ 157,603</u></u>	<u><u>\$ 297,059</u></u>	<u><u>\$ 454,662</u></u>
<b>Reconciliation to Statement of Net Position:</b>			
Cash	\$ 157,603	\$ 297,059	\$ 454,662
Equity in pooled cash	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u><u>\$ 157,603</u></u>	<u><u>\$ 297,059</u></u>	<u><u>\$ 454,662</u></u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	<u>\$ (559,500)</u>	<u>\$ (28)</u>	<u>\$ (559,528)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Increase in accounts payable	-	2,565	2,565
Increase in estimated claims payable	507,049	-	507,049
Decrease in due to other funds	(11,730)	(89,776)	(101,506)
Total adjustments	<u>495,319</u>	<u>(87,211)</u>	<u>408,108</u>
Net cash used for operating activities	<u><u>\$ (64,181)</u></u>	<u><u>\$ (87,239)</u></u>	<u><u>\$ (151,420)</u></u>

**CITY OF KENNER, LOUISIANA**  
**COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Noncash investing, capital, and financing activities:</b>			
Gain on fair market value of investments	\$       -	\$       -	\$       -
(Increase) in fair market value of investments	<u>          -</u>	<u>          -</u>	<u>          -</u>
 Net effect of noncash activities	 <u><u>          -</u></u>	 <u><u>          -</u></u>	 <u><u>          -</u></u>

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

<b>AIRPORT SALES TAX FUND</b>				
	<b><u>BALANCE</u></b> <b><u>6/30/13</u></b>	<b><u>ADDITIONS</u></b>	<b><u>DEDUCTIONS</u></b>	<b><u>BALANCE</u></b> <b><u>6/30/14</u></b>
<b>ASSETS</b>				
Equity in pooled cash	\$ -	\$ 865,716	\$ 865,716	\$ -
Due from other funds	-	187,061	187,059	2
Intergovernmental	<u>306,968</u>	<u>561,176</u>	<u>494,027</u>	<u>374,117</u>
Total assets	<u>\$ 306,968</u>	<u>\$ 1,613,953</u>	<u>\$ 1,546,802</u>	<u>\$ 374,119</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 306,968</u>	<u>\$ 374,117</u>	<u>\$ 306,966</u>	<u>\$ 374,119</u>
Total liabilities	<u>\$ 306,968</u>	<u>\$ 374,117</u>	<u>\$ 306,966</u>	<u>\$ 374,119</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF COUNCILPERSONS' COMPENSATION**  
**YEAR ENDED JUNE 30, 2014**

<u>COUNCILPERSON</u>	<u>NUMBER OF DAYS SERVED</u>	<u>COMPENSATION</u>
Jeannie Black	365	\$ 26,971
Michele Branigan	365	26,971
Gregory Carroll	365	20,637
Maria Defrancesch	365	20,637
Kent Denapolis	365	20,637
Keith Reynaud	365	21,138
Joseph Stagni	365	20,706

## STATISTICAL SECTION

This part of the City of Kenner's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the city's overall financial health.

### **Contents**

### **Schedules**

#### **Financial Trends**

1 - 4

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

#### **Revenue Capacity**

5 - 9

These schedules contain information to help the reader assess the city's most significant local revenue source, the sales tax, as well as the property tax.

#### **Debt Capacity**

10 - 14

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

15 - 16

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

#### **Operating Information**

17 - 19

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 1 -- NET POSITION BY COMPONENT**  
**LAST SEVEN FISCAL YEARS**  
(accrual basis of accounting)  
(Unaudited)

	<b>Fiscal Year</b>						
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Governmental activities							
Invested in capital assets, net of related debt	\$ 244,639,856	\$ 234,218,393	\$ 226,326,766	\$ 205,360,570	\$ 176,582,658	\$ 180,438,285	\$ 138,185,196
Restricted	27,218,388	22,121,215	18,214,320	17,903,956	29,772,780	20,477,759	34,664,950
Unrestricted	<u>7,235,778</u>	<u>1,516,876</u>	<u>(2,398,068)</u>	<u>(127,032)</u>	<u>2,692,277</u>	<u>(4,721,675)</u>	<u>4,026,130</u>
Total governmental activities net position	<u>\$ 279,094,022</u>	<u>\$ 257,856,484</u>	<u>\$ 242,143,018</u>	<u>\$ 223,137,494</u>	<u>\$ 209,047,715</u>	<u>\$ 196,194,369</u>	<u>\$ 176,876,276</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 72,161,240	\$ 70,647,425	\$ 67,464,821	\$ 70,674,888	\$ 72,572,594	\$ 56,241,502	\$ 55,967,834
Restricted	-	-	-	-	-	15,068,526	13,261,209
Unrestricted	<u>2,795,799</u>	<u>2,238,244</u>	<u>618,663</u>	<u>(709,274)</u>	<u>(1,087,284)</u>	<u>(4,328,953)</u>	<u>(594,712)</u>
Total business-type activities net position	<u>\$ 74,957,039</u>	<u>\$ 72,885,669</u>	<u>\$ 68,083,484</u>	<u>\$ 69,965,614</u>	<u>\$ 71,485,310</u>	<u>\$ 66,981,075</u>	<u>\$ 68,634,331</u>
Primary government							
Net investment in capital assets	\$ 316,801,096	\$ 304,865,818	\$ 293,791,587	\$ 276,035,458	\$ 249,155,252	\$ 236,679,787	\$ 194,153,030
Restricted	27,218,388	22,121,215	18,214,320	17,903,956	29,772,780	35,546,285	47,926,159
Unrestricted	<u>10,031,577</u>	<u>3,755,120</u>	<u>(1,779,405)</u>	<u>(836,306)</u>	<u>1,604,993</u>	<u>(9,050,628)</u>	<u>3,431,418</u>
Total primary government net position	<u>\$ 354,051,061</u>	<u>\$ 330,742,153</u>	<u>\$ 310,226,502</u>	<u>\$ 293,103,108</u>	<u>\$ 280,533,025</u>	<u>\$ 263,175,444</u>	<u>\$ 245,510,607</u>

Source: Audited Comprehensive Annual Financial Reports  
Information available for seven years

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 2 -- CHANGES IN NET POSITION**  
**LAST SEVEN FISCAL YEARS**  
(accural basis of accounting)  
(Unaudited)

	Fiscal Year						
	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>							
Governmental activities:							
General government	\$ 13,289,818	\$ 13,018,580	\$ 12,445,711	\$ 13,331,542	\$ 13,518,067	\$ 14,334,561	\$ 15,177,249
Public safety	27,769,729	28,264,207	28,176,202	28,981,374	30,120,747	29,726,401	29,635,749
Public works	27,424,676	36,922,961	30,431,909	36,657,670	31,743,384	30,447,190	28,877,594
Health and welfare	899,891	981,103	927,097	756,235	478,916	461,077	463,687
Culture and recreation	6,914,409	7,250,042	9,550,670	7,066,031	6,075,269	7,458,593	8,328,521
Transit and urban development	1,767,208	1,672,568	1,981,932	1,537,013	5,065,979	2,178,189	1,807,143
Miscellaneous	-	-	-	-	-	-	-
Interest on long-term debt and other charges	2,229,839	2,044,374	1,858,468	1,688,282	1,696,804	1,582,211	1,743,210
Debt issuance costs	-	-	-	-	-	166,797	699,366
Total governmental activities expenses	<u>80,295,570</u>	<u>90,153,835</u>	<u>85,371,989</u>	<u>90,018,147</u>	<u>88,699,166</u>	<u>86,355,019</u>	<u>86,732,519</u>
Business-type activities:							
Wastewater operations	7,654,289	7,337,405	7,282,712	7,233,176	8,482,102	10,025,404	9,868,246
Civic center operations	3,286,880	3,149,541	3,156,767	3,321,275	3,359,257	3,228,630	3,317,342
Total business-type activities expenses	<u>10,941,169</u>	<u>10,486,946</u>	<u>10,439,479</u>	<u>10,554,451</u>	<u>11,841,359</u>	<u>13,254,034</u>	<u>13,185,588</u>
Total primary government expenses	<u>\$ 91,236,739</u>	<u>\$ 100,640,781</u>	<u>\$ 95,811,468</u>	<u>\$ 100,572,598</u>	<u>\$ 100,540,525</u>	<u>\$ 99,609,053</u>	<u>\$ 99,918,107</u>
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:							
General government	\$ 4,803,865	\$ 5,607,294	\$ 5,959,847	\$ 6,794,368	\$ 8,101,475	\$ 7,397,121	\$ 7,396,643
Public safety	3,157,328	3,264,140	4,828,953	3,456,639	3,529,877	3,582,022	3,670,994
Public works	3,582,874	3,548,013	4,027,778	4,303,084	3,975,986	4,219,748	4,196,238
Other activities	1,119,940	1,157,862	1,325,504	1,405,306	1,143,772	1,022,077	985,922
Operating grants and contributions	1,485,783	2,736,962	2,321,055	2,497,951	1,528,912	2,119,168	1,432,247
Capital grants and contributions	1,722,264	1,104,317	3,617,474	1,810,855	7,238,923	3,843,389	2,492,715
Total governmental activities program revenues	<u>15,872,054</u>	<u>17,418,589</u>	<u>22,080,611</u>	<u>20,268,203</u>	<u>25,518,945</u>	<u>22,183,525</u>	<u>20,174,759</u>
Business-type activities:							
Charges for services:							
Wastewater operations	3,560,457	3,558,879	3,517,961	4,399,069	5,670,289	6,323,934	7,045,527
Civic center operations	1,432,841	1,297,787	1,266,846	1,258,957	1,441,990	1,297,089	1,306,346
Operating grants and contributions	-	-	-	-	-	-	-
Capital grants and contributions	1,523,258	2,020,875	325,899	6,706,005	-	2,074,647	3,073,925
Total business-type activities program revenues	<u>6,516,556</u>	<u>6,877,541</u>	<u>5,110,706</u>	<u>12,364,031</u>	<u>7,112,279</u>	<u>9,695,670</u>	<u>11,425,798</u>
Total primary government program revenues	<u>\$ 22,388,610</u>	<u>\$ 24,296,130</u>	<u>\$ 27,191,317</u>	<u>\$ 32,632,234</u>	<u>\$ 32,631,224</u>	<u>\$ 31,879,195</u>	<u>\$ 31,600,557</u>

(Continued)

Source: Audited Comprehensive Annual Financial Reports  
Information available for seven years

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 2 -- CHANGES IN NET POSITION**  
**LAST SEVEN FISCAL YEARS (CONTINUED)**  
(accrual basis of accounting)  
(Unaudited)

	Fiscal Year						
	2008	2009	2010	2011	2012	2013	2014
<b>Net (Expense) Revenue</b>							
Governmental activities	\$ (64,423,516)	\$ (72,735,246)	\$ (63,291,378)	\$ (69,749,944)	\$ (63,180,221)	\$ (64,171,494)	\$ (66,557,760)
Business-type activities	(4,424,613)	(3,609,405)	(5,328,773)	1,809,580	652,688	(3,558,364)	(1,759,790)
Total primary government net expense	<u>\$ (68,848,129)</u>	<u>\$ (76,344,651)</u>	<u>\$ (68,620,151)</u>	<u>\$ (67,940,364)</u>	<u>\$ (62,527,533)</u>	<u>\$ (67,729,858)</u>	<u>\$ (68,317,550)</u>
<b>General Revenues and Other Changes in Net Position</b>							
Governmental activities:							
Taxes:							
Ad valorem	\$ 7,717,615	\$ 7,752,642	\$ 7,479,348	\$ 7,940,366	\$ 7,876,865	\$ 7,617,724	\$ 7,714,727
Sales and use	34,844,151	31,580,500	29,758,967	30,788,076	30,371,384	31,708,191	30,831,511
Beer tax	86,346	80,061	77,085	70,485	77,787	76,434	70,784
Parking	1,967,173	1,932,718	1,864,772	1,952,097	2,007,642	2,090,075	2,303,311
Franchise	8,290,040	8,044,911	7,648,751	8,142,735	7,926,562	7,916,445	7,837,526
Unrestricted grants and contributions	609,237	1,067,893	118,139	313,757	164,992	218,121	105,524
Investment earnings	1,190,080	312,019	40,466	56,054	35,278	40,631	42,272
Miscellaneous	276,211	844,350	240,378	190,806	237,906	242,494	468,097
Gain (loss) on disposal of capital assets	-	-	-	85,951	-	99	-
Transfers	1,427,171	(225,000)	-	1,204,100	392,024	(19,936)	(2,134,085)
Total governmental activities	<u>56,408,024</u>	<u>51,390,094</u>	<u>47,227,906</u>	<u>50,744,427</u>	<u>49,090,440</u>	<u>49,890,278</u>	<u>47,239,667</u>
Business-type activities:							
Taxes:							
Ad valorem	452,936	509,652	522,429	512,750	524,658	595,762	442,735
Sales and use	144,116	340,181	382,424	340,181	304,110	-	-
Franchise	402,066	439,614	454,143	421,522	403,104	781,448	728,574
Unrestricted grants and contributions	495,394	-	2,552	97	13,835	156,398	95,019
Investment earnings	40,033	5,642	1,139	942	4,453	12,751	7,630
Miscellaneous	19,574	17,945	11,545	1,158	8,872	42,666	5,003
Gain (loss) on disposal of capital assets	-	-	-	-	-	(483,861)	-
Proceeds from insurance	1,013,277	-	-	-	-	-	-
Transfers	(1,427,171)	225,000	(497,644)	(1,204,100)	(392,024)	19,936	2,134,085
Total business-type activities	<u>1,140,225</u>	<u>1,538,034</u>	<u>876,588</u>	<u>72,550</u>	<u>867,008</u>	<u>1,125,100</u>	<u>3,413,046</u>
Total primary government	<u>\$ 57,548,249</u>	<u>\$ 52,928,128</u>	<u>\$ 48,104,494</u>	<u>\$ 50,816,977</u>	<u>\$ 49,957,448</u>	<u>\$ 51,015,378</u>	<u>\$ 50,652,713</u>
<b>Change in Net Position</b>							
Governmental activities	\$ (8,015,492)	\$ (21,345,152)	\$ (16,063,472)	\$ (19,005,517)	\$ (14,089,781)	\$ (14,281,216)	\$ (19,318,093)
Business-type activities	(3,284,388)	(2,071,371)	(4,452,185)	1,882,130	1,519,696	(2,433,264)	1,653,256
Total primary government	<u>\$ (11,299,880)</u>	<u>\$ (23,416,523)</u>	<u>\$ (20,515,657)</u>	<u>\$ (17,123,387)</u>	<u>\$ (12,570,085)</u>	<u>\$ (16,714,480)</u>	<u>\$ (17,664,837)</u>



**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 3 -- FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)  
(Unaudited)

	<b>Fiscal Year</b>				
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
General fund					
Reserved	\$ 1,807,313	\$ 3,488,905	\$ 3,015,687	\$ 2,731,484	\$ 3,067,891
Unreserved	8,566,552	11,923,761	14,548,014	10,372,283	5,767,289
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>\$ 10,373,865</u>	<u>\$ 15,412,666</u>	<u>\$ 17,563,701</u>	<u>\$ 13,103,767</u>	<u>\$ 8,835,180</u>
All other governmental funds					
Reserved	\$ 12,612,559	\$ 8,873,307	\$ 8,263,025	\$ 5,064,190	\$ 5,363,166
Unreserved, reported in:					
Special revenue funds	850,335	101,618	383,160	472,611	530,256
Capital projects funds	13,873,112	12,298,987	14,252,947	20,811,754	16,585,811
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 27,336,006</u>	<u>\$ 21,273,912</u>	<u>\$ 22,899,132</u>	<u>\$ 26,348,555</u>	<u>\$ 22,479,233</u>

(Continued)

Source: Audited Comprehensive Annual Financial Reports

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 3 -- FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS (CONTINUED)**  
(modified accrual basis of accounting)  
(Unaudited)

	<b>Fiscal Year</b>				
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
General fund					
Reserved	\$ 1,513,885	\$ -	\$ -	\$ -	\$ -
Unreserved	6,480,932	-	-	-	-
Nonspendable	-	489,360	527,355	635,059	144,011
Restricted	-	1,986,029	2,186,205	2,225,664	1,995,638
Committed	-	410,554	939,732	345,445	485,101
Assigned	-	2,012,582	3,502,878	2,397,898	2,267,631
Unassigned	-	7,686,775	6,561,410	6,517,899	6,131,325
Total general fund	<u>\$ 7,994,817</u>	<u>\$ 12,585,300</u>	<u>\$ 13,717,580</u>	<u>\$ 12,121,965</u>	<u>\$ 11,023,706</u>
All other governmental funds					
Reserved	\$ 4,603,768	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	597,914	-	-	-	-
Capital projects funds	13,097,466	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	-	18,601,334	30,998,309	18,252,095	32,669,312
Committed	-	70,291	2,016,844	1,439,396	7,225,718
Assigned	-	-	-	-	-
Unassigned	-	(396,366)	-	(465,042)	3,963,802
Total all other governmental funds	<u>\$ 18,299,148</u>	<u>\$ 18,275,259</u>	<u>\$ 33,015,153</u>	<u>\$ 19,226,449</u>	<u>\$ 43,858,832</u>

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 4 -- CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
(modified accrual basis of accounting)  
(Unaudited)

	Fiscal Year				
	2005	2006	2007	2008	2009
<b>Revenues</b>					
Taxes	\$ 49,244,807	\$ 53,238,001	\$ 54,009,655	\$ 51,739,778	\$ 47,986,366
Licenses and permits	2,823,174	2,681,243	3,148,087	3,018,733	2,903,728
Intergovernmental	5,730,564	38,022,399	9,133,635	4,719,364	5,743,213
Charges for services	4,324,475	2,807,703	3,262,439	4,078,054	3,653,004
Fines and forfeitures	1,922,748	1,470,243	1,765,365	1,914,909	1,844,873
Interest	828,905	1,161,375	1,590,888	1,065,024	265,958
Premium on bonds issued	-	-	-	-	-
Miscellaneous	1,481,979	1,765,627	4,434,300	1,065,050	2,001,135
Total revenues	<u>66,356,652</u>	<u>101,146,591</u>	<u>77,344,369</u>	<u>67,600,912</u>	<u>64,398,277</u>
<b>Expenditures</b>					
General government	9,326,088	15,872,062	11,312,207	11,268,348	11,210,646
Public safety	22,855,609	24,607,342	26,286,768	25,052,506	25,057,413
Public works	25,165,435	43,955,321	19,286,746	17,405,299	19,521,070
Health and welfare	736,402	768,738	813,585	809,371	741,978
Culture and recreation	5,958,943	7,072,612	6,174,965	6,096,907	6,286,562
Transit and urban development	1,340,747	1,216,410	1,379,316	1,708,333	1,604,607
Miscellaneous	1,232,809	-	-	-	-
Debt Service					
Principal	5,207,731	4,957,148	5,120,020	5,348,709	5,562,517
Interest and fiscal charges	2,990,955	2,781,023	2,551,708	2,313,121	2,114,697
Agent fees	-	-	-	-	-
Debt issuance costs	-	-	-	-	-
Miscellaneous	36,000	36,000	36,000	36,000	36,000
Total expenditures	<u>74,850,719</u>	<u>101,266,656</u>	<u>72,961,315</u>	<u>70,038,594</u>	<u>72,135,490</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,494,067)</u>	<u>(120,065)</u>	<u>4,383,054</u>	<u>(2,437,682)</u>	<u>(7,737,213)</u>
<b>Other financing sources (uses)</b>					
Transfers in	19,076,976	23,673,849	22,317,271	26,252,654	24,007,673
Transfers out	(19,076,976)	(24,577,077)	(22,924,071)	(24,825,483)	(24,515,984)
Premium on bonds issued	-	-	-	-	-
Long-term debt issued	-	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-	-
Proceeds of refunding bonds and other debt	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(903,228)</u>	<u>(606,800)</u>	<u>1,427,171</u>	<u>(508,311)</u>
Net change in fund balances	<u>\$ (8,494,067)</u>	<u>\$ (1,023,293)</u>	<u>\$ 3,776,254</u>	<u>\$ (1,010,511)</u>	<u>\$ (8,245,524)</u>
Debt service, (interest and principal only) as a percentage of noncapital expenditures	<u>11.88%</u>	<u>8.23%</u>	<u>11.66%</u>	<u>12.69%</u>	<u>11.22%</u>

(Continued)

Source: Audited Comprehensive Annual Financial Reports

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 4 -- CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN YEARS (CONTINUED)**  
(modified accrual basis of accounting)  
(Unaudited)

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Revenues</b>					
Taxes	\$ 45,799,281	\$ 47,782,458	\$ 47,822,765	\$ 48,702,710	\$ 48,328,061
Licenses and permits	4,402,801	3,508,681	3,462,423	3,445,677	3,191,259
Intergovernmental	6,825,921	5,519,796	9,840,654	7,039,477	4,871,406
Charges for services	4,408,484	4,657,430	4,272,206	4,619,331	4,716,197
Fines and forfeitures	2,124,594	2,602,543	2,885,847	2,322,357	2,187,652
Interest	13,201	27,253	5,188	15,273	15,647
Miscellaneous	1,458,777	869,151	853,842	746,692	955,303
Total revenues	<u>65,033,059</u>	<u>64,967,312</u>	<u>69,142,925</u>	<u>66,891,517</u>	<u>64,265,525</u>
<b>Expenditures</b>					
General government	10,457,451	10,490,966	10,874,488	11,700,333	12,403,699
Public safety	24,891,692	24,859,654	26,418,059	26,629,412	26,234,628
Public works	17,940,695	20,653,967	18,150,570	14,657,352	14,971,997
Health and welfare	684,543	611,230	384,177	398,757	404,803
Culture and recreation	8,564,497	5,668,520	4,575,485	6,094,878	7,009,417
Transit and urban development	1,858,565	1,451,668	5,044,566	2,086,908	1,721,693
Miscellaneous	-	-	-	-	-
Debt Service					
Principal	5,946,595	4,580,965	5,944,643	5,483,832	18,569,019
Interest and fiscal charges	1,924,444	1,711,023	1,611,510	1,794,687	1,975,501
Agent fees	-	-	-	-	-
Debt issuance costs	-	-	417,120	166,797	699,366
Miscellaneous	36,000	36,000	36,000	36,000	36,000
Total expenditures	<u>72,304,482</u>	<u>70,063,993</u>	<u>73,456,618</u>	<u>69,048,956</u>	<u>84,026,123</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,271,423)</u>	<u>(5,096,681)</u>	<u>(4,313,693)</u>	<u>(2,157,439)</u>	<u>(19,760,598)</u>
<b>Other financing sources (uses)</b>					
Transfers in	19,826,803	16,071,100	21,195,128	19,747,075	19,523,670
Transfers out	(19,608,479)	(14,867,006)	(20,803,921)	(19,771,811)	(21,657,755)
Premium on bonds issued	-	-	190,707	-	1,156,726
Long-term debt issued	-	-	-	424,838	44,272,081
Payment to refunded bond escrow agent	-	-	-	(8,725,000)	-
Proceeds of refunding bonds and other debt	2,032,646	8,459,187	19,603,953	9,205,000	-
Total other financing sources (uses)	<u>2,250,970</u>	<u>9,663,281</u>	<u>20,185,867</u>	<u>880,102</u>	<u>43,294,722</u>
Net change in fund balances	<u>\$ (5,020,453)</u>	<u>\$ 4,566,600</u>	<u>\$ 15,872,174</u>	<u>\$ (1,277,337)</u>	<u>\$ 23,534,124</u>
Debt service, (interest and principal only) as a percentage of noncapital expenditures	<u>11.98%</u>	<u>9.11%</u>	<u>10.67%</u>	<u>10.36%</u>	<u>25.14%</u>

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 5 -- DIRECT AND OVERLAPPING SALES TAX RATES**  
**LAST TEN YEARS**  
(Unaudited)

<b>Fiscal Year</b>	<b>City Direct Rate (1)</b>	<b>Overlapping Rates</b>	
		<b>Jefferson Parish (2)</b>	<b>Jefferson Parish School Board</b>
2004	2.5833%	0.1667%	2.0000%
2005	2.5833%	0.1667%	2.0000%
2006	2.5833%	0.1667%	2.0000%
2007	2.5833%	0.1667%	2.0000%
2008	2.5833%	0.1667%	2.0000%
2009	2.5833%	0.1667%	2.0000%
2010	2.5833%	0.1667%	2.0000%
2011	2.5833%	0.1667%	2.0000%
2012	2.5833%	0.1667%	2.0000%
2013	2.5833%	0.1667%	2.0000%
2014	2.5833%	0.1667%	2.0000%

NOTES: (1) As discussed in NOTE F to the Financial Statements, the State of Louisiana levies a 4.0% sales tax on purchases within the City of Kenner. In addition, the Parish of Jefferson levies a 4.75% sales tax on purchases within the City of Kenner. From the 4.75% levied by Jefferson Parish, 2.5833% is collected for, and remitted to, the City of Kenner. The sales tax rate is determined by the Jefferson Parish Council, subject to the approval of the voters of Jefferson Parish. The City of Kenner also receives one-third of a 2% sales tax on purchases made in the airport taxing district located within the city limits, but this amount is insignificant compared to the City's share of the 4.75% Jefferson Parish sales tax.

(2) Jefferson Parish retains .1667% of the 4.75% sales tax levied on purchases within the City of Kenner.

(3) Information regarding the breakdown of taxable sales by category is not available.

(4) Information regarding the principal sales tax remitters is not available.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 6 -- ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Personal Property</u>	<u>Tax Sale</u>	<u>Public Service Corporations</u>	<u>Railway Rolling Stock</u>	<u>Total Assessments</u>	<u>Less: Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value (1)</u>
2005	\$369,431,810	\$ 79,188,729	\$3,320,253	\$32,768,233	\$ 57,790	\$484,766,815	\$ 110,125,676	\$374,641,139	24.34	\$ 4,474,285,643	8.37%
2006	286,403,720	86,273,418	1,207,933	32,958,375	54,090	406,897,536	88,406,826	318,490,710	23.93	3,671,355,750	8.68%
2007	288,932,430	95,346,480	1,186,233	27,614,404	30,310	413,109,857	88,061,041	325,048,816	23.93	4,034,995,413	8.06%
2008	327,511,670	92,948,219	1,371,023	23,700,582	36,100	445,567,594	93,303,048	352,264,546	23.93	4,371,983,590	8.06%
2009	444,827,980	96,831,156	2,693,550	26,184,409	40,700	570,577,795	106,243,290	464,334,505	18.13	5,295,590,450	8.77%
2010	448,346,980	94,662,776	2,789,130	27,699,147	46,460	573,544,493	105,611,567	467,932,926	18.13	5,327,416,986	8.78%
2011	450,120,302	83,599,919	2,884,080	27,480,863	34,570	564,119,734	105,508,260	458,611,474	18.13	5,270,812,833	8.70%
2012	448,440,989	85,289,971	5,465,150	30,771,874	50,200	570,018,184	103,970,210	466,047,974	18.13	5,313,141,691	8.77%
2013	459,736,113	90,962,548	4,619,090	30,393,912	56,450	585,768,113	102,620,280	483,147,833	17.51	5,452,971,430	8.86%
2014	461,435,216	90,052,443	3,847,380	29,310,348	64,960	584,710,347	101,659,460	483,050,887	17.51	5,449,010,967	8.86%

Source: Jefferson Parish Assessor's Office.

NOTE: Assessed values are established by the Parish Assessor by December of each year at 10 percent of assumed market value for real property and 15 percent of assumed market value for other property. A revaluation of all property is required to be completed every four years. The last revaluation was completed for December, 2008. Tax rates are per \$100 of assessed value.

(1) Includes tax-exempt property.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 7 -- DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
(Rate per \$100 of Assessed Value)  
(Unaudited)

<b>Fiscal Year</b>	<b>City Direct Rates</b>							<b>Overlapping Rate</b>	<b>Total Direct &amp; Overlapping Rates</b>
	<b>Basic Rate</b>	<b>Garbage Collection</b>	<b>Fire Protection</b>	<b>General Obligation Debt Service</b>	<b>Street Maintenance &amp; Improvement</b>	<b>Wastewater Operations</b>	<b>Total Direct</b>	<b>Jefferson Parish Districts (1)</b>	
2005	\$ 2.75	\$ 2.12	\$ 9.76	\$ 0.41	\$ 7.79	\$ 1.51	\$ 24.34	\$ 67.25	\$ 91.59
2006	2.75	2.12	9.76	-	7.79	1.51	23.93	76.95	100.88
2007	2.75	2.12	9.76	-	7.79	1.51	23.93	68.60	92.53
2008	2.75	2.12	9.76	-	7.79	1.51	23.93	63.41	87.34
2009	2.08	1.61	7.40	-	5.90	1.14	18.13	64.46	82.59
2010	2.08	1.61	7.40	-	5.90	1.14	18.13	64.46	82.59
2011	2.08	1.61	7.40	-	5.90	1.14	18.13	64.46	82.59
2012	2.08	1.61	7.40	-	5.90	1.14	18.13	67.05	85.18
2013	2.01	1.55	7.15	-	5.70	1.10	17.51	66.28	83.79
2014	2.01	1.55	7.15	-	5.70	1.10	17.51	66.28	83.79

(1) Source: Jefferson Parish Assessor.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 8 -- PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
(Unaudited)

<b>Taxpayer</b>	<b>June 30, 2014</b>			<b>June 30, 2005</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Five Properties	\$ 8,396,350	1	1.68%			
Esplanade Mall Ltd Ptn.	6,613,430	2	1.33%	\$ 9,849,550	1	2.0%
Southwest Airlines	5,977,450	3	1.19%	9,076,980	2	1.90%
Entergy Services	5,902,170	4	1.18%	3,222,775	5	0.70%
Entergy Louisiana	5,700,460	5	1.14%			
Pellerin Millnor	5,617,764	6	1.13%	2,147,162	10	0.40%
Bellsouth	4,570,929	7	0.92%	4,642,430	3	1.00%
Westport Petroleum	4,379,498	8	0.89%			
Wal Mart	4,178,250	9	0.84%			
Treasure Chest Casino	3,856,279	10	0.77%	3,445,393	4	0.70%
Alltel Rash & Associates				2,993,028	6	0.60%
Continental Airlines				2,711,290	7	0.60%
United Airlines				2,297,700	8	0.50%
Sprint Spectrum				2,209,514	9	0.50%
Totals	<u>\$55,192,580</u>		<u>11.07%</u>	<u>\$42,595,822</u>		<u>8.90%</u>

Source: City of Kenner Finance Department



**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 9 -- PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected (or Adjusted) within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2005	\$ 9,118,769	\$ 8,781,235	96.30%	110,028	8,891,263	97.51%
2006	7,621,482	6,977,226	91.55%	489,185	7,466,411	97.97%
2007	7,778,454	7,536,507	96.89%	166,080	7,702,587	99.02%
2008	8,429,734	8,033,426	95.30%	159,669	8,193,095	97.19%
2009	8,418,398	7,954,419	94.49%	167,431	8,121,850	96.48%
2010	8,483,637	8,141,338	95.97%	187,273	8,328,611	98.17%
2011	8,314,639	7,974,603	95.91%	168,060	8,142,663	97.93%
2012	8,449,463	8,134,682	96.27%	128,719	8,263,401	97.80%
2013	8,459,927	8,076,814	95.47%	74,347	8,151,161	96.35%
2014	8,458,230	8,150,033	96.36%	N/A	8,150,033	96.36%

Source: City of Kenner Finance Department

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 10 -- RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

Fiscal Year	Governmental Activities								Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Sales Tax Revenue Bonds	Certificates of Indebtedness	LCDA Revenue Bonds	LDEQ Taxable Bonds	Notes Payable	Capital Lease Obligations	Other Obligations	Mortgage Payable	Sewer Revenue Bonds			
2005	\$ -	\$ 41,025,198	\$ 6,315,000	\$ 19,926,077	\$ -	\$ 2,735,204	\$ 120,184	\$ -	\$ 8,271	\$ -	\$ 70,129,934	3.27%	998
2006	-	37,345,000	5,260,000	18,475,000	-	2,688,403	24,867	-	4,751	-	63,798,021	3.60%	913
2007	-	34,650,000	4,145,000	17,240,000	-	2,638,251	-	-	872	-	58,674,123	3.94%	881
2008	-	31,830,000	2,965,000	15,945,000	-	2,584,508	-	-	-	-	53,324,508	3.66%	818
2009	-	28,925,000	1,715,000	14,595,000	-	2,527,025	-	-	-	-	47,762,025	3.06%	729
2010	-	25,945,000	200,000	13,205,000	2,150,621	2,465,430	-	-	-	-	43,966,051	2.73%	648
2011	-	23,262,062	200,000	11,858,593	10,609,808	2,399,465	-	-	-	-	48,329,928	3.05%	725
2012	-	20,008,776	-	10,346,622	13,194,761	2,328,787	-	-	-	16,185,621	62,064,567	3.73%	930
2013	-	16,664,003	-	9,205,000	12,848,469	2,253,133	-	-	-	18,066,426	59,037,031	3.45%	884
2014	-	43,498,890	-	7,380,000	14,497,550	2,172,114	-	-	-	24,761,160	92,309,714	5.26%	1,378

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 15 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) Loan payable to Jefferson Parish.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 11 -- RATIOS OF NET GENERAL BOND DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>			<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>
	<b>General Obligation Bonds</b>	<b>Debt Service Monies Available</b>	<b>Net General Obligation Bonds Outstanding</b>		
2005	\$ -	\$ -	\$ -	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 8 for property value data.

(2) Population data can be found in Schedule 15.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 12 -- DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2014**  
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Jefferson Parish	\$ 393,163,000	17.25%	\$ 67,820,618
Jefferson Parish Public School System	\$ 171,160,000	14.14%	<u>24,202,024</u>
Subtotal, overlapping debt			92,022,642
City direct debt			<u>66,449,664</u>
Total direct and overlapping debt			<u><u>\$ 158,472,306</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by Jefferson Parish. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Kenner. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 13 -- LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 151,463,225	\$ 142,414,138	\$ 144,588,450	\$ 155,948,658	\$ 199,702,228	\$ 200,740,573	\$ 197,441,907	\$ 199,506,364	\$ 205,018,840	\$ 204,648,621
Total net debt applicable to limit	4,739,322	3,642,404	2,471,122	1,884,798	608,953	-	-	-	-	-
Legal debt margin	<u>\$ 146,723,903</u>	<u>\$ 138,771,734</u>	<u>\$ 142,117,328</u>	<u>\$ 154,063,860</u>	<u>\$ 199,093,275</u>	<u>\$ 200,740,573</u>	<u>\$ 197,441,907</u>	<u>\$ 199,506,364</u>	<u>\$ 205,018,840</u>	<u>\$ 204,648,621</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>3.13%</u>	<u>2.56%</u>	<u>1.71%</u>	<u>1.21%</u>	<u>0.30%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

Legal Debt Margin Calculation for Fiscal Year 2014	
Assessed value	<u>\$ 584,710,347</u>
Debt limit -- 35% of assessed value	204,648,621
General obligation and excess revenue bonds	\$ -
Less: amount available for repayment of general obligation and excess revenue bonds	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 204,648,621</u>

Note: Louisiana R.S. 39:562 allows for a maximum of 10% of the assessed valuation for bonded debt for any one purpose or 35% of the total assessed value for all purposes.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 14 -- PLEDGED-REVENUE COVERAGE**  
**LAST EIGHT FISCAL YEARS**  
(Unaudited)

Fiscal Year	Sales Tax Bonds						
	Sales Tax Collections		Debt Service		Coverage		
			Principal	Interest			
2007	\$	13,162,726	\$	2,695,000		\$	1,353,895
2008		13,763,729		2,820,000		1,232,264	3.40
2009		12,247,404		2,905,000		1,117,164	3.04
2010		11,211,927		2,980,000		1,039,916	2.79
2011		11,798,565		3,075,000		954,489	2.93
2012		11,023,249		3,165,000		865,021	2.74
2013		12,584,294		3,265,000		772,929	3.12
2014		11,789,242		2,020,000		1,466,161	3.38

NOTES: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Certain information for prior periods is not shown since it was not previously maintained by the City.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 15 -- DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>Personal Income</b>	<b>(2) (4) Per Capita Personal Income</b>	<b>(3) Unemployment Rate</b>
2005	\$ 70,252	\$ 2,142,896,756	\$ 25,333	5.4%
2006	69,911	1,771,055,363	25,333	5.7%
2007	66,592	1,487,332,320	22,335	4.9%
2008	65,202	1,456,286,670	22,335	4.6%
2009	65,527	1,558,363,114	23,782	7.3%
2010	67,842	1,613,418,444	23,782	8.1%
2011	66,702	1,586,306,964	23,782	8.0%
2012	66,715	1,663,338,380	24,932	8.7%
2013	66,820	1,708,854,680	25,574	7.9%
2014	66,975	1,755,079,875	26,205	6.0%

- (1) Source: U.S. Census Bureau 2000 Census for 2003-2004; U.S. Census Bureau 2004 Population Estimate for 2005; U.S. Census Bureau 2005 Population Estimate for 2006; U.S. Census Bureau 2006-2008 American Community Survey Estimate for 2007-2010. Except for 2003-2010, the figures represent the City's population for the preceding calendar year.
- (2) Source: Bureau of Economic Analysis, U.S. Department of Commerce. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.
- (3) Source: Louisiana Department of Labor, Research and Statistical Division for calendar years. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.
- (4) 2005 figure used for 2005 and 2006; 2007 figure used for 2007 and 2008; 2009 figure used for 2009, 2010, and 2011.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 16 -- PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
(Unaudited)

<b>Employer</b>	<b>June 30, 2014</b>			<b>June 30, 2005</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Ochsner Medical Center	767	1	2.28%	**		
Treasure Chest Casino	750	2	2.24%			
City of Kenner	615	3	1.84%			
Cross Road Centers	600	4	1.79%			
Pellerin Milnor Corp	588	5	1.76%			
Sams Club	250	6	0.75%			
Macy's	185	7	0.55%			
St. Theresa Medical Complex	168	8	0.50%			
Waldon Healthcare Center	140	9	0.42%			
United Airlines	132	10	0.39%			
<b>Total</b>	<b>4,195</b>		<b>12.52%</b>	<b>-</b>		<b>0.00%</b>

\*\* Certain information for prior periods is not shown since it was not previously maintained by the City.

Source: JEDCO, EDS Department



**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 17 -- FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

Function/Program	Full-time Equivalent Employees as of June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	77	69	86	86	83	96	92	87	86	89
Public safety	382	344	356	364	354	331	332	324	333	328
Public works	168	101	99	108	114	73	72	72	73	73
Health and welfare	52	50	30	23	20	61	53	36	36	36
Culture and recreation	82	106	126	135	134	78	69	78	79	75
Transit and urban development	29	26	30	27	32	16	13	15	14	14
Miscellaneous										
Total	790	696	727	743	737	655	631	612	621	615

Source: City of Kenner payroll department.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 18 -- OPERATING INDICATORS BY FUNCTION**  
**LAST FIVE FISCAL YEARS**  
(Unaudited)

<b>Function</b>	<b>Fiscal Year 2010</b>	<b>Fiscal Year 2011</b>	<b>Fiscal Year 2012</b>	<b>Fiscal Year 2013</b>	<b>Fiscal Year 2014</b>
Police					
Physical arrests	8,815	9,393	8,990	7,767	7,573
Parking violations	467	449	496	928	447
Traffic violations	17,692	20,242	26,201	19,973	17,397
Fire					
Emergency responses	3,588	3,454	2,555	1,662	1,366
Fires extinguished	137	186	120	190	136
Refuse collection					
Refuse collected (tons per month)	3,466	3,220	3,065	3,314	3,129
Recyclables collected (tons per month)	N/A	N/A	N/A	4	11.15
Other public works					
Street resurfacing (sq. ft.)	8,000	488,735	117,972	285,813	39,609
Potholes repaired	163	130	484	527	1,123
Wastewater					
Average daily sewage treatment (mil per day)	12.2	10.7	10.7	10.5	9.1

Source: City of Kenner Finance Department.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 19 -- CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

Function	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	**	**	**	180	221	204	201	204	210	201
Fire										
Stations	6	6	6	6	6	6	6	6	6	6
Pieces of equipment	21	21	21	21	23	23	23	21	20	19
Water										
Water mains (miles)	**	**	**	**	**	264	264	264	264	264
Fire hydrants	**	**	**	**	3,996	2,919	2,911	2,915	2,919	2,923
Storage capacity (thousands of gallons)	**	**	**	**	**	**	**	**	**	**
Other public works										
Streets (miles)	**	212	212	396	396	300	300	300	300	300
(1) Highways (miles)	**	**	**	**	**	10	10	10	10	10
Bridges	**	16	27	27	27	33	33	33	33	33
Streetlights	6,987	6,987	6,987	6,992	6,992	6,992	6,992	6,992	6,992	6,995
Traffic signals	**	**	**	18	19	19	19	19	19	19
Health and welfare	**	**	**	**	**	**	**	**	**	**
Culture and recreation										
Parks	3	3	3	3	3	3	3	4	4	4
Playgrounds	11	11	11	11	12	12	12	11	11	11
Art Galleries and Museums	10	10	10	10	10	6	6	7	7	7
Gymnasiums	10	10	10	10	11	11	11	10	10	10
Wastewater										
Sanitary and storm sewers (miles)	**	905	905	905	905	905	905	905	905	905
Treatment plants	2	2	2	1	1	1	1	1	1	1
Low-lift stations	77	77	77	79	79	79	79	79	79	79
Treatment capacity	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	11.288 MGD	13.5 MGD	13.5 MGD

Source: City of Kenner finance department

\*\* Certain information for prior periods is not shown since it was not previously maintained by the City.

(1) Highways are maintained by the State

For the items not recorded, information was not accumulated in those years.

## **SINGLE AUDIT**

WILLIAM G. STAMM, C.P.A.  
LINDSAY J. CALUB, C.P.A., L.L.C.  
GUY L. DUPLANTIER, C.P.A.  
MICHELLE H. CUNNINGHAM, C.P.A.  
DENNIS W. DILLON, C.P.A.  
GRADY C. LLOYD, III, C.P.A.

HEATHER M. JOVANOVICH, C.P.A.  
TERRI L. KITTO, C.P.A.



DUPLANTIER, HRAPMANN,  
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LA C.P.A.'S

MICHAEL J. O'ROURKE, C.P.A.  
DAVID A. BURGARD, C.P.A.  
CLIFFORD J. GIFFIN, Jr., CPA  
HENRY L. SILVIA, C.P.A.

A.J. DUPLANTIER JR, C.P.A. (1919-1985)  
FELIX J. HRAPMANN, JR, C.P.A. (1919-1990)  
WILLIAM R. HOGAN, JR., CPA (1920-1996)  
JAMES MAHER, JR, C.P.A. (1921-1999)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

December 29, 2014

Honorable Mayor and Members of the Council  
City of Kenner, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Kenner, Louisiana, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise City of Kenner, Louisiana's basic financial statements, and have issued our report thereon dated December 29, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Kenner, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Kenner, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Kenner, Louisiana's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Kenner, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Duplantier, Hrapmann, Hogan & Maher, LLP***

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DUPLANTIER, HRAPMANN,  
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WILLIAM R. HOGAN, JR., CPA (1920-1996)  
JAMES MAHER, JR, C.P.A. (1921-1999)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

December 29, 2014

Honorable Mayor and Members of the Council  
City of Kenner, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited City of Kenner, Louisiana's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Kenner, Louisiana's major federal programs for the year ended June 30, 2014. City of Kenner, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of City of Kenner, Louisiana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Kenner, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Kenner, Louisiana's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, City of Kenner, Louisiana, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

### **Report on Internal Control Over Compliance**

Management of City of Kenner, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Kenner, Louisiana's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Kenner, Louisiana's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Duplantier, Krapmann, Hogan & Maher, LLP*

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**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

<u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT</u>	<u>2014 FEDERAL EXPENDITURES</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs:			
Community Development Block Grant*	14.218	B-11-MC-22-0008	158,805
Community Development Block Grant*	14.218	B-12-MC-22-0008	245,781
			<u>404,586</u>
Passed through Louisiana Recovery Authority, Office of Community Development			
Comprehensive Resiliency Program	14.228	700761	178,400
			<u>178,400</u>
Passed through Jefferson Parish:			
Home Investment Partnership Program (HOME)	14.239	Unavailable	229,044
			<u>229,044</u>
Emergency Shelter Grants Program	14.231	CFMS#716255	51,500
			<u>51,500</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u><u>863,530</u></u>
DEPARTMENT OF JUSTICE			
Direct			
Edward Byrne Memorial Justice Assistance Grant Program:			
	16.738	2010-DJ-BX-1359	6,658
	16.738	2011-DJ-BX-3209	32,983
	16.738	2012-DJ-BX-0387	11,171
			<u>50,812</u>
Passed Through Louisiana Commission Law Enforcement:			
Street Sales Distruption	16.738	B-10-7-009	5,495
Street Sales Distruption	16.738	B-11-7-009	8,299
			<u>13,794</u>
Passed Through Louisiana Commission Law Enforcement:			
Crime Victim Assistance Program	16.575	C-12-7-020	11,174
Crime Victim Assistance Program	16.575	1532	8,910
			<u>20,084</u>
Direct			
Bulletproof Vest Partnership Grant Program	16.607	Unavailable	24,565
			<u>24,565</u>
TOTAL DEPARTMENT OF JUSTICE			<u><u>109,255</u></u>
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION			
Passed through Louisiana Departmet of Transportation			
Local Road Safety Program	20.607-20.608	2000031916	8,461
			<u>8,461</u>
Passed through Louisiana Highway Safety Commission			
Traffic Safety Overtime Enforcement Program	20.601	2012-30-34FFY13	22,314
Traffic Safety Overtime Enforcement Program	20.601	2014-30-36	22,256
			<u>44,570</u>
TOTAL NATIONAL HIGHWAY SAFETY ADMINISTRATION			<u><u>53,031</u></u>

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

OFFICE OF NATIONAL DRUG CONTROL POLICY

Passed Through Jefferson Parish Sheriff's Office

Gulf Coast High Intensity Drug Trafficking Areas	95.001	G13GC0001A	4,200
Gulf Coast High Intensity Drug Trafficking Areas	95.001	G14GC0001A	4,200

TOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY			<u>8,400</u>
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DEPARTMENT OF HOMELAND SECURITY

Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness:

Disaster Grants - Public Assistance - Katrina *	97.036	1603-DR-LA	576,944
Disaster Grants - Public Assistance - Gustav*	97.036	1786-DR-LA	0
Disaster Grants - Public Assistance - Lee*	97.036	4041-DR-LA	5,373
Disaster Grants - Public Assistance - Isaac*	97.036	4080-DR-LA	99,845

TOTAL DEPARTMENT OF HOMELAND SECURITY			<u>682,162</u>
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DEPARTMENT OF TRANSPORTATION

Passed Through the Regional Transit Authority

Pedestrian Improvements		LA-90-0391	33,004
Pedestrian Improvements		LA-90-0355	2,450
Pedestrian Improvements		LA-90-2338	2,670
			<u>38,124</u>

Passed Through Louisiana Department of Public Safety and Corrections

Federal Aid Projects	20.205	H006526	11,864
Federal Aid Projects	20.205	STP-2605(507)	364,347
			<u>376,211</u>

Passed Through the Louisiana Department of Culture, Recreation & Tourism

Recreational Trails Program	20.219	745-26-0008	20,055
Recreational Trails Program	20.219	H.009355	936
			<u>20,991</u>

TOTAL DEPARTMENT OF TRANSPORTATION			<u>435,326</u>
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ENVIRONMENTAL PROTECTION AGENCY

Passed Through the Louisiana Department of Environmental Quality

Loan from Louisiana Municipal Revolving Loan Fund*	66.458	Unavailable	2,272,081
Loan from Louisiana Municipal Revolving Loan Fund*	66.458	Unavailable	7,129,734

TOTAL ENVIRONMENTAL PROTECTION AGENCY			<u>9,401,815</u>
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TOTAL FEDERAL ASSISTANCE			<u>\$ 11,553,519</u>
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\* This program is considered a "major" program under OMB Circular A-133.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO SCHEDULE OF FEDERAL AWARD EXPENDITURES**  
**JUNE 30, 2014**

**NOTE A - SCOPE OF AUDIT PURSUANT TO GOVERNMENT AUDITING STANDARDS, OMB CIRCULAR A-133, "AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS" AND THE SINGLE AUDIT ACT OF 1984 AND 1996 AMENDMENTS**

All federal grant operations of the City of Kenner, Louisiana, are included in the scope of the single audit. Those programs which were major grants and which were selected for specific testing included:

1. Department of Homeland Security  
Disaster Grants – Public Assistance – Katrina  
Disaster Grants – Public Assistance – Gustav  
Disaster Grants – Public Assistance – Lee  
Disaster Grants – Public Assistance - Isaac
2. Department of Housing And Urban Development  
Community Development Block Grant
3. Louisiana Department of Public Safety and Corrections  
Federal Aid Projects
4. Louisiana Department of Environmental Quality  
Louisiana Municipal Revolving Loan Fund

**NOTE B - FISCAL PERIOD AUDITED**

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2014.

**NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the City has met the qualifications for the respective grants. Several programs are funded jointly by State of Louisiana appropriations and federal funds. Costs incurred in programs partially funded by federal grants are applied against federal grant funds to the extent of revenue available when they properly apply to the grant.

2. Accrued and Deferred Reimbursement

Various reimbursement procedures are used for federal awards received by the City. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over cash reimbursements received. Generally, accrued balances caused by differences in the timing of cash reimbursements and expenditures will be reversed in the remaining grant period.

**CITY OF KENNER, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expressed an unmodified opinion on the financial statements of the City of Kenner, Louisiana.
2. No control deficiencies relating to the audit of the financial statements were reported in the *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of City of Kenner, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. No control deficiencies relating to the audit of internal control over major federal award programs were reported in the *Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for the City of Kenner, Louisiana expressed an unmodified opinion on all major federal programs.
6. The audit disclosed no findings which are required to be reported by OMB Circular A-133.
7. The programs tested as major programs include:

CFDA Number/Grant Number

Disaster Grants – Public Assistance	97.036
Louisiana Municipal Revolving Loan Fund	66.458
Louisiana Department of Public Safety and Corrections	20.205
Community Development Block Grant	14.218

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. City of Kenner, Louisiana qualified as a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

Compliance:

No findings noted.

Internal Control:

No findings noted.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

No findings noted.

**CITY OF KENNER, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**A. SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

No prior year audit findings.